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School Principals' Attitudes Towards Performance Based Compensation

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SCHOOL PRINCIPALS' ATTITUDES TOWARDS PERFORMANCE BASED COMPENSATION

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ABSTRACT

The main objective of this study is to determine the attitudes of school principals regarding a performance based compensation system. This study identifies the attitudes towards specific factors that should be considered in the implementation of a system of performance based compensation. The data have been analyzed to determine if a principal's demographic characteristics affect his/her level of agreement with performance based compensation and the factors for implementation. In addition, this study unveils areas of concern that principals have conveyed regarding the implementation of a performance based compensation system.

Data was obtained from 444 public school principals representing 444 schools and 178 districts in the state of Colorado. Measures used in the treatment of the data include descriptive statistics and one-way ANOVA. The major findings of this study were:

1. 82.4% of respondents believe that teachers, principals and administrators should be included in performance based compensation (PBC).
2. The top two indicators that respondents believed should be included in a PBC system are student achievement (88.5%) and teacher evaluations (77.6%)
3. The 3 largest obstacles to PBC that respondents identified are:

a. The capacity to link student achievement to teacher evaluations (82.9%)
b. Teacher Union Resistance (67.1%)
c. Cost (55.9%)

4. Principals in urban, rural and suburban geographic groups disagree about the effects of performance based compensation.
5. The top 5 overall concerns regarding Performance Based Compensation were:
    a. Concerns regarding effectively using assessment to measure performance of all teachers/equity between teachers
    b. Concerns regarding evaluation (time for principals to learn, consistency from school to school, time for principals to evaluate, quality of evaluation tool).
    c. Not in favor of PBC due to philosophical views or concerns about lack of research.
    d. Concerns regarding the equity between classrooms and districts across the state due to poverty levels and unequal resources.
    e. Concerns that performance based compensation will result in a decline in teacher collaboration and an increase in competition between teachers.

Based upon these findings, the researcher concluded that there is not a strong general acceptance of performance based compensation systems. However, urban principals in Colorado tend to view PBC somewhat more favorably than do principals in suburban or

rural areas. Most importantly, systems to link student achievement to teacher evaluation must be collaboratively created to ensure PBC systems are equitable, consistent and fair.

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Chapter One: Introduction

Critics of public education claim today that public education system is broken; that schools and teachers are failing. Public school is being examined and calls for reform are at an all time high. The reforms called for are grounded in past educational theory, business theory and assumptions of "the problem". Research tells us that the number one factor in student achievement is an effective teacher; therefore we must not have enough effective teachers if the system is failing. Systems that reward teachers based on performance are not new. However, current reform initiatives suggest that these performance based compensation structures should be revised and used as a way of holding teachers accountable for the academic results of their students. The premise of performance based compensation originally came from the business world, but if it is going to be used effectively in public education it is important to understand the attitudes that teachers, principals and administrators have regarding such systems of pay.

Although the United States Constitution provides each state with authority to control their own educational systems, beginning in 1958 national policy makers and politicians have used their authority to create policies during times of perceived educational crisis. These perceived times of crisis have been presented through reports such as the National Defense Education Act, the 1965 Elementary and Secondary Act, the 1992 reauthorization of the Higher Education Act and A Nation at Risk. The United States current administration is no different. Most recently the American Recovery and

Reinvestment Act of 2009 (ARRA) provided funding that was targeted to improve state and local education systems through the Race to the Top grant. According to Michael Shear and Nick Anderson with the Washington Post, President Barrack Obama has used the $4 million provided by ARRA to strong arm the education establishment to accept more charter schools and performance pay for teachers. Knowing that student success is dependent on an effective teacher (Jamil, Anwar, & Sultana, 2012) , the current administration believes that effective teachers should be rewarded and ineffective teachers should either be mentored so that they improve or guided out of the profession. President Obama and Education Secretary Arne Duncan have made it clear that the Race to the Top money will be distributed to the states that, among other criteria, demonstrate a system for tying student achievement to teacher performance (Shear & Anderson, 2009).

According to the U.S. Department of Education, the Race to the Top Fund is a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in four core education reform areas (Learning Point Associates, 2010).

The Race to the Top emphasis in the core area of recruiting, developing, rewarding, and retaining effective teachers and principals has already begun to influence state and local policies related to teacher evaluation, teacher compensation and performance pay systems. Although the Race to the Top Grant applications from state

education departments showed a wide variety of readiness in regards to implementing an evaluation system for teachers based on teacher effectiveness and performance, all 41 grant applications shared a timeline that would lead their state to new systems of evaluation. Many state education agencies are currently revising their policies regarding teacher qualification and effectiveness. In fact, many states are defining teacher effectiveness and creating new systems for teacher evaluation that are drastically different than the evaluation systems of the past. These evaluation systems focus on the use of student achievement data as a strong measure of teacher success. For example, in the state of Colorado the Educator Effectiveness Council, organized by Governor Bill Ritter, made the recommendation that fifty percent of a teacher's evaluation should be determined by student growth measures (The State Council for Educator Effectiveness, 2011).

In addition to an emphasis on new teacher and principal evaluation systems, the Race to the Top grant also encourages states to compensate teachers and principals in new ways related to their effectiveness (Smarick, 2010). Coupled with teacher evaluation systems, performance based compensation is one of the most talked about and controversial topics in education today. There is growing parent and community support for a system of pay that recognizes teachers for working with students that show academic achievement and growth. In the state of Colorado, the creation of a performance based evaluation system will be finalized and implemented statewide for principals as well as teachers by the school year 2014-2015. This new evaluation system will provide the consistent data that school districts need to create new, or revise current, performance based compensation systems for both principals and teachers.

Teacher Salaries

Currently, most teachers in the U.S. are compensated by means of a single salary schedule. In this system, a teacher's salary is determined by their years of experience and education or academic training. Unfortunately, these factors have not been shown to make a significant difference in student success (Hanushek, 2007; Jerald, 2010; Rice, 2010). It is this argument that prompted the early performance pay systems in the 1980s and 1990s that offered additional incentives to teachers. Performance pay systems were considered stand-alone systems. In addition to the single salary schedule, teachers were able to earn extra pay for their participation in a variety of options including acquiring new competencies in curriculum, improving instructional skills, group action research projects, outstanding portfolios and completed professional development classes.

Principal Salaries

Principal salaries are typically determined based on a step and grade system similar to the teacher single salary schedule. The step and grade system allows principals who receive a satisfactory grade to receive annual salary raises. One significant difference between the teacher salary schedule and the principal salary schedule is that principals who work at different levels in an educational system-elementary, middle or high school- are typically paid differently. Performance pay for principals does exist although it is generally for extra duties performed, for additional knowledge training or for achieving school improvement goals (Goldhaber & Hansen, 2010).

Performance Pay

The research on performance and merit pay systems in education is inconclusive. According to Eric Hanushek (2007), "merit pay" has not worked and cannot work.

Merit pay plans involve very small amounts of money and are evaluated based on their ability to get more effort out of existing teachers. Current researchers agree that in order for performance pay to work in the future it must be connected to the salary structure, must offer substantial monetary incentives and must be evaluated with data to determine its effectiveness (Jerald, 2010). Colorado school districts seem to be moving in just this direction. The political climate in Colorado is supportive of holding both teachers and principals accountable for the academic achievement and growth of their students. Colorado Senate Bill 10-191, also referred to as the Educator Effectiveness Bill, will require every school district in the state of Colorado to plan, develop, implement and assess a system to evaluate the effectiveness of all licensed employees including teachers and principals.

The General Assembly of the State of Colorado requires that at least fifty percent of a teacher's evaluation be determined by student achievement data and fifty percent of the principal evaluation be determined by the academic growth of the students enrolled in the principal's school. In addition, the teacher and the principal will be evaluated against new quality standards. This new evaluation system will make it easier for school districts in Colorado to design systems of compensation that financially compensate teachers and principals based on data from the performance of their students and schools. With teacher and principal salaries on the line, the success of implementing a new teacher and principal evaluation system is very high stakes.

Conceptual Framework

Policy makers, politicians, state and local education agencies and school district officials spend a lot of time creating education policy. But according to Davis, Ellett, &

Annunziata (2002), most teacher evaluation policies and practices have done little to improve teaching, learning and schools. The success of education policy depends on whether or not the policy is grounded in strategies that are proven to make a difference in student achievement and the successful implementation of that policy. When it comes to the implementation of teacher evaluation policies, the responsibility falls to the local implementer, the school principal. The school principal is held accountable for interpreting the new teacher evaluation tool, translating it into action and leading the teachers toward success. The active support of the principal for the evaluation policy is necessary since the principal influences his/her teachers' attitudes toward the policy (Tuytens & Devos, 2010). Principals are critical to every aspect of a school. They can influence a school and community through the decisions that they make. Principals are initiators, innovators, motivators, calculators and communicators. Principals are indispensable when it comes to the effective implementation of educational policy (Hope, 2002a).

Empirical research on policy implementation indicates that it is incredibly difficult to implement a policy when there are layers of government and institutions involved (McLaughlin, 1987). The success of policy implementation depends on capacity and will. Capacity can be accomplished through training. For example, principals can receive training on new evaluation standards. The principal's will, or their underlying attitudes, motivations and beliefs are less amenable to policy intervention (McLaughlin, 1987). With a high stakes policy such as teacher evaluation that will lead to adjusting teacher and principal salaries, successful implementation is critical (Hope, 2002b).

Statement of the Problem

Although teacher performance based compensation has been tried in various forms for years, implementing such a data driven system for teachers and principals is relatively new for most school districts. Principals have been recognized for decades as important contributors to the effectiveness of schools. In fact, there is clear evidence that principals can substantially impact the quality of teaching and learning in their schools (Camburn, Huff, Goldring, & May, 2010). In a system where a school principal is the local implementer for education policy, it seems critical to determine the principals' attitudes related to performance-based compensation systems, both for themselves as well as the teachers in their schools. By understanding the principals' attitudes and concerns related to performance-based compensation, school districts can work to create plans that minimize those concerns.

While much research has been conducted regarding teachers attitudes related to performance pay, very little research has been conducted to determine principal's attitudes (Goldhaber, 2007). Although there have been studies that have captured administrators attitudes, such as the study conducted by the American Association of School Administrators entitled Exploring the Possibility and Potential for Pay for Performance in America's Public Schools (Ellerson, 2009), principals' attitudes have never been separated from the attitudes of other administrators such as superintendents, assistant superintendents and directors.

Data regarding teacher salaries including pay for performance incentives is collected through national survey instruments (Gilpin, 2012). Unfortunately, the same data is not collected for principals. In addition, school districts have worked

independently to develop performance based compensation systems for teachers and principals. This work in isolation has resulted in a wide variety of programs and components being offered around the nation. The state of Colorado has created a common set of expectations and standards for principals and teachers. With the recommendations from the Colorado Educator Effectiveness Council, licensed personnel evaluations will be based on more consistent criteria, including student achievement and growth data, therefore making performance based compensation systems easier to implement and assess.

The performance based compensation systems being discussed in Colorado, however, are much different than the performance pay systems of the past. Because the new Colorado evaluation system requires that fifty percent of a licensed personnel evaluation must be directly linked to student achievement and growth, these new compensation systems are predicted to significantly alter the current single salary schedules. For example, Denver Public Schools beginning in 2008 implemented a performance pay system that they call Pro-Comp. If a teacher opts in to the Pro-Comp system, approximately twenty percent of the teacher's salary will be determined by student and school assessment data. In addition, a teacher's evaluation could change his or her salary by one to three percent. Denver has also recently created the Principal Incentive Pay system that will financially award principals for meeting a variety of criteria including student achievement, student growth, documentation of best practices, and submitting effective Unified Improvement Plans to the state of Colorado. By surveying principals statewide regarding their attitudes of performance based compensation systems in Colorado, school districts and school boards across the state

would be able to use data to inform the creation, implementation, revision and assessment of such systems for both teachers and principals. Just as stakeholder input is critical to the development of the new Colorado evaluation system (The State Council for Educator Effectiveness, 2011), in order to achieve maximum success, stakeholder input from the individuals responsible for implementing the system should be gathered regarding the development and implementation of performance based compensation systems as well.

Objectives of Study

The main objective of this study is to determine the attitudes of school principals regarding a performance based compensation system for teachers and principals. This study will also attempt to identify principals' attitudes towards specific factors that should be considered in the implementation and administration of a system of performance based compensation. The data will be analyzed to determine if a principal's demographic characteristics affect his/her level of agreement with performance-based compensation and the factors for implementation. Finally, this study hopes to unveil any areas of concern that principals may have, related to the implementation of a performance based compensation system.

Research Questions

In an effort to understand school principals' attitudes toward performance based compensation, the following research questions were investigated:

1. What are principals' attitudes towards identified factors in the implementation of a performance based compensation system for teachers and principals?

2. Is there a correlation between a principal's demographic characteristics and his/her level of agreement with performance-based compensation and the factors for implementation?
3. What are the areas of concern that principals have regarding the implementation of a performance based compensation system?

Chapter Two: Literature Review

The History of Teacher Compensation

Single salary schedules.

Over the past 200 years the salary structures for educators have only experienced three significant changes. In the 1800s, teachers received room and board in exchange for their teaching services. The second shift in teacher salaries began in the 1900s. At that time teachers were paid according to the position that they occupied. Elementary teachers were paid less than secondary teachers due to the increased education requirements for secondary teachers (Protsik, 1996). Also during this time, teacher pay was the victim of bias as females and minorities were paid less than white males. In the 20th century, the single salary structure was created. The introduction of the single salary schedule in the 1950s was the third major salary revision for teachers. The single salary schedule calculated years of experience, education units and advanced degrees into the formula for determining teacher salaries.

Public K-12 schools most commonly use the single salary schedule. Charter and private schools frequently often offer contracts to teachers that do not follow a schedule. Higher education institutions, unlike the public school system, often have collective bargaining agreements that allow for differences in salaries depending on the field of expertise and external labor market conditions (Rhoades, 1998). It is common for higher

education to adjust salaries of the most senior faculty members that they want to keep from transferring to other institutions.

The single salary schedule is unique to education. In no other profession is an employee given the same rate of pay for any position in the field and for whether or not they are productive in that position. For example, in the field of medicine, doctors are offered different rates of pay depending on their area of specialty and their level of success. A doctor with proven success is paid more in a hospital than one who does not have the same rate of success (M. Podgursky & Springer, 2011). The same is true in the world of business; employees are often paid salaries commensurate with their productivity.

Although the single salary schedule has been around since the 1950s, researchers have identified many problems with it. The single salary schedule was created with the teacher in mind, not the student. This salary schedule pays the teacher who has students that show outstanding academic successes the same as the teacher who repeatedly moves along students who are failing. Raising teacher salaries provides incentives for both good and bad teachers. In addition, the rigidity of the single salary schedule has been found to influence teacher shortages, unequal distribution of quality teachers and a lack of incentive for effective teachers to stay on the job. According to Michael Podursky and Mathew Springer (2011), if a compensation scheme could induce highly effective teachers to stay and ineffective teachers to leave, workforce quality and student achievement would improve.

Career ladder pay.

According to Mid-continent Research for Education and Learning (2002), there are three different types of career ladder programs: performance based, job enlargement and professional development. As teachers demonstrate different levels of competencies they can earn more pay in the career ladder program. For example, moving from a novice or probationary teacher to a regular status or professional teacher and then onto a master teacher can offer different rates of pay. When teachers assume additional responsibilities such as mentoring new teachers, working on district committees or supervising other employees, they are eligible for job enlargement pay increases. Finally, as teachers gain more knowledge by taking additional classes, obtaining advanced degrees or achieving National Board Certification, many districts recognize these achievements with professional development pay (Reichardt, Mid-continent Research for Education and Learning (Organization), & National Center for Education Statistics, 2002).

Although the intended purpose of career ladders is to offer all teachers the opportunity for growth, the critics of career ladders argue that in reality, career ladders promote competition instead of collegiality. They promote excellent teachers out of the classroom where they no longer are able to directly affect student achievement. In addition, career ladders are expensive to maintain and thus in tough budget times are one of the first things to be eliminated or reduced (Lieberman, 2002).

Performance pay.

Types of performance pay.

After the release of *A Nation at Risk* report in 1983, school districts across the United States began considering performance pay systems as an alternative or supplement to the single salary schedule. In addition to the single salary schedule, teachers were able to earn extra pay for their participation in a variety of options including acquiring new competencies in curriculum, improving instructional skills, group action research projects, outstanding portfolios and completed professional development classes. Some examples of performance pay include: knowledge and skills pay, group incentive rewards, outstanding or master teacher designations, individual or group awards for school growth, individual or group awards for school achievement, and individual or group awards for working in a high needs school (Chamberlin, Wragg, Haynes, & Wragg, 2002).

Knowledge and skills pay, similar to the professional development career ladder, is one way to differentiate pay for teachers. As the trend in education moved to increased accountability and standards, the knowledge and skills pay system was put in place to compensate teachers for acquiring specific knowledge and skills required to meet higher expectations of performance (Reichardt et al., 2002). This approach provides teachers stipends for completing selected classes and/or an increase in base salary for acquiring and demonstrating skills that are necessary for improving student achievement. Through formal and informal observations, school principals use a standards based teacher

evaluation to assess a teacher's performance against a standard set of skills that define a competency model of effective teaching (H. G. Heneman III, Milanowski, Kimball, & Odden, 2006a).

Some research has unveiled positive results when a standards based evaluation system is coupled with knowledge and skills pay (H. G. Heneman III, Milanowski, & Kimball, 2007). One study suggests that the scores from standards-based performance evaluation systems can have a substantial positive relationship with student achievement and that the instructional practices measured by these practices contribute to student learning. Results like these encourage researchers that a system of knowledge and skills pay used with a rigorous standards-based evaluation could be potentially useful (H. G. Heneman III, Milanowski, Kimball, & Odden, 2006b). However, all educational professionals do not like the knowledge and skills pay system. Administrators report that to provide evidence to support a teacher's acquisition of skills creates an increased workload for them. For some teachers, familiarity and comfort with the single salary schedule, aversion to performance pay, fears of pay fluctuations and uncertainty, skepticism about the stability and survival of funding for the pay program, and lack of self-confidence and assistance for meeting high performance standards all combine to make a knowledge and skills pay program a less than welcome addition to their educational lives (H. G. Heneman III, Milanowski, Kimball, & Odden, 2006b).

Group incentive awards are available in some districts to teachers who collaboratively design action research projects. Groups of teachers who set and meet performance goals are eligible for a one-time bonus. Typically, a district board reviews

the end of year report submitted by each teacher group and determines the amount of award to be given. Financial awards are typically divided from a finite budget between the numbers of participating teachers (Reichardt et al., 2002).

In some school districts, teachers who are considered master teachers or outstanding teachers are eligible for financial awards. Those teachers earning the National Board Certification are awarded a yearly bonus in this system. Other teachers, who meet certain criteria through the submission of teaching portfolios, could be also eligible for a yearly bonus.

Motivation Theory.

If teachers are more motivated, they will improve their instructional practice and, in turn, student achievement will improve. At least that was one theory for implementing performance pay. Therefore, much of the research that has evaluated performance pay systems have looked most closely at motivation theory. Researchers have wanted to know if performance pay incentives motivate teachers to improve instruction and ultimately improve student achievement. The results of this research are mixed. Carolyn Kelley (1999) reports that if the performance pay system is based on clear goals and collaboration, it can motivate some individuals directly and can also create intrinsic rewards that are likely to enhance teaching practice, opportunities for professional development and collaboration around curriculum and instruction (Kelley, 1999). However, in the same study, only one out of five teachers indicated that money was an important motivator for them. This is not surprising considering the old adage that claims teachers don't go into the profession for the money.

In a Gallup poll conducted in 2010, 72 percent of public school parents and 71 percent of adults nationwide believe that each teacher should be paid based on the quality of his/her teaching as opposed to the standard pay scale (Prince, Koppich, Azar, Bhatt, & Witham, 2010). The difficulty has been in defining what makes an effective teacher and showing that an effective teacher can be directly linked to student achievement data. Performance pay plans of the 1980s and 1990s focused on identifying and rewarding teacher behaviors that were thought to lead to student achievement. By looking at identified characteristics of good teachers, a common measurement for the basis of performance pay seemed possible. In the 21st century, the emphasis in performance pay is moving from providing awards for good teaching to providing awards for student learning. Although policy makers have strived for years to connect performance awards to student achievement, it is not until recently that consistent assessment measures are starting to become available. Most district and state information systems have been simply insufficient to manage the data necessary to administer a teacher pay-for-performance program that is grounded in student data. According to research gathered by the Data Quality Campaign, a national organization supporting states in their efforts to use high-quality data to improve student achievement, data systems in only 11 states meet all 10 of what they define as essential elements of a data system for school districts. The data obtained from district and state information systems also are often riddled with inaccuracies and errors that can wreak havoc on the operation of a performance pay program. These types of errors have the potential to completely undermine even the most well-designed pay-for-performance program (Burns & Gardner, 2010).

Teacher attitudes regarding performance pay.

Teacher attitudes towards performance based compensation is varied. Numerous studies have been conducted since the early 90s and have produced mixed results. When asked the right way, most teachers will agree that hard working educators should be financially rewarded (Prince et al., 2010). Dan Goldhaber (2010) argues that the polls conducted do not take individual and workplace characteristics into account. A teacher working at an inner city, hard to staff school, with no performance pay available to him may have a very different attitude on the subject than a suburban elementary school teacher who receives several performance pay opportunities. However, findings regarding teacher attitudes about performance based compensation indicate that a few common attitudes do exist across research. First, it is common for women and teachers with more experience to be less supportive of merit pay (Ballou & Podgursky, 1993). In addition, those teachers associated with a teacher's union are also less supportive of performance pay. Finally, private school teachers are typically more supportive of performance pay (Goldhaber & Hansen, 2010).

Specific reasons that teachers oppose or are less supportive of performance pay have emerged. First, some teachers fear that the implementation of performance pay will create an environment of competition; therefore collaboration will be less valued. Collaboration is important to teachers as it often takes a collective effort to help a student reach his fullest potential (Darling-Hammond & Berry, 1988).

When school districts attempt to implement performance pay instead of providing an increase in base pay or a competitive base pay, they are strongly opposed by teachers

and teacher's unions(Ballou & Podgursky, 1993). Although performance pay programs may increase a teacher's salary for one year, they generally do not increase a teacher's base salary. Researchers have found higher levels of support for performance pay in school districts where teachers are already well paid and where performance pay is not regarded as a substitute for an across the board pay increase (Ballou & Podgursky, 1993). Performance pay has a long history of failed programs that may cause unions to hesitate supporting new initiatives. One of the earlier examples of a failed performance pay system occurred in Florida. This performance pay system was cancelled by the Florida legislature for: consistent union opposition, a lack of communication with teachers regarding the purpose of the program, and a failure to reward all but a small segment of the state's teachers (Darling-Hammond & Berry, 1988). According to Marguerita Desander (2000), most performance pay programs have been terminated within six years of implementation (DeSander, 2000).

The most commonly cited reason for teacher opposition to performance pay programs is that evaluations will not be fair (Ballou & Podgursky, 1993). In addition, teachers were more likely to support performance pay if they had a high degree of confidence in their principal but were less likely to support performance pay if they had a greater sense of trust and respect for their fellow teachers than in their principal. This has not changed in the past fifteen years. In a Public Agenda survey in 2003, fifty two percent of teachers believed that a performance pay program would lead to principals playing favorites by rewarding those teachers who are loyal to them or do not rock the boat (Prince et al., 2010). According to a study conducted in 1993, teachers believe that

administrators can't evaluate teachers fairly and using student achievement to measure student effectiveness is often objected on the grounds that achievement can be influenced by many factors beyond instructors' control (Ballou & Podgursky, 1993). Within the last fifteen years, however, principals are continually moving away from the traditional classroom observation as the method of teacher evaluation to a more holistic method that uses a multiple data source approach including but not limited to artifacts, portfolios and peer evaluation (DeSander, 2000).

Theoretical arguments for and against performance based compensation

Performance based compensation schemes have been implemented in the private sector since the late 1980s. In the late 1990s schools began to review the benefits of a pay system that would help improve their organization. According to Farrell and Morris (Farrell & Morris, 2004), it was believed that teacher recruitment, retention and motivation were low because good teacher performance was not sufficiently recognized. Performance based compensation systems were put in place to increase motivation, increase teacher retention and increase teacher recruitment.

Student achievement is attributed to many variables and is influenced by many factors that a teacher is unable to control. These variables and factors make monitoring a teacher's performance very difficult. Murnane and Cohen call this argument Performance Monitoring and explain it in an article entitled Merit Pay and the Evaluation Problem (Murnane & Cohen, 1986), it is more difficult to monitor teacher performance than any other profession because output is not readily measured in a reliable, valid and

fair manner. However, since this article was published systems for student performance data have become much more advanced.

Another argument that has been used against performance based compensation is that of team production. It is common for students to work with more than one teacher throughout their day and their school year. This team teaching approach makes it even more difficult to attribute a student's learning to the contributions of a single teacher. In addition as Michael Podgursky and Matthew Springer explain in Teacher Performance Pay: A Review, introducing performance-related rewards at the individual teacher level might reduce incentives for teachers to cooperate and reduce, rather than increase, school performance (M. J. Podgursky & Springer, 2007).

It is impossible to provide standardized testing for all aspects of learning or even all subject areas. It is possible that if rewards are attached to specific areas of the curriculum that teachers will begin to focus on only those areas while giving less emphasis to secondary areas of the curriculum. For example, if state testing occurs in reading, writing and math, does it mean that science and social studies should be any less important? Avinash Dixit supports this theory in an article that examines incentives in the public sector (Dixit, 2002). As Dixit explains, when only some of the performance of a worker, or in this case a teacher, is measured there can be a misalignment between the overall mission of the school or organization and that which is considered important enough to measure.

Principal Compensation

School reforms and improvements depend crucially on the implementation of strategies at the school level. The successful implementation of these strategies depends largely on principal leadership. It is clear that principals have a profound influence. They play a crucial role in shaping their schools' environments, which in turn influences the quality of teachers in them. (Goldhaber, 2007). Given the critical role of the principal and the importance of compensation in determining the quality of people who choose to become a principal, it is important to know more about principal compensation and its effects on school leadership.

Step and grade salary.

Most school districts use a step and grade system when designing principals' salary structures. The step and grade system is similar to the teacher single salary schedule that is used in the majority of school districts across the nation. Generally, the step and grade system guarantees a yearly salary increase for a principal who receives a satisfactory evaluation (Goldhaber, 2007). The difference between the principals' step and grade system and the teacher single salary schedule is that the grades that signify differences in pay for principals are based on the level of the school. For example, high school principals earn a higher salary than elementary school principals. For teachers, the steps, or increases in salary, are gained by educational attainment. Teachers at the same education level earn the same salary for either high school or elementary school.

Performance pay.

Although there is a lack of research that reviews pay for performance programs for school leaders, there is currently significant interest in this area. According to the Center for Educator Compensation Reform (2007), the $99 million that has been appropriated by the federal government to support districts and states in designing new compensation strategies for teachers and students has created interest in over 34 districts. These districts have been awarded grants under the Teacher Incentive Fund program to develop systems to assess and provide monetary awards based on principal performance (Kimball, Heneman, & Milanowski, 2007).

Some states and districts are creating standards-based leadership evaluations, which will be used to evaluate school leaders and determine performance pay bonuses. These evaluations are based on an explicit set of standards that school principals should know and be able to do. In addition to using these evaluations to determine performance pay, the intent is to create an evaluation system which improves school leadership development and accountability (Kimball et al., 2007). Even though attaching performance pay to school leaders is gaining in popularity, we know shockingly little about whether giving principals performance incentives does in fact affect school performance. In fact, basic information regarding the pay structures of principals is missing from research (Goldhaber, 2007).

Teacher Effectiveness and Evaluation

Teacher preparation and evaluation in the USA from 1910-1950.

By 1918, every state in the nation had passed compulsory attendance laws for students. Although there was a decrease in schools across the nation due to the Great Depression, once World War II was over, schools showed a surge of enrollment. At the beginning of this time period, teachers were chosen and evaluated based on a moralistic and ethical perspective (Ellett & Teddlie, 2003). However, that began to change with the formation of voluntary associations working to improve teacher education and certification. The National Education Association was officially formed in 1925 and several organizations including: The American Association of Colleges of Teacher Education and The National Council for Accreditation of Teacher Education were formed soon after. These organizations and councils were responsible for two major studies that investigated the qualifications and standards for teachers in public schools (LaBue, 1960). The first of the two studies was called the *National Survey*.

The change in how states issued teacher certificates was an indication of the increasing expectations of teacher qualifications and the influence of the *National Survey*. By 1937, these national studies would influence the hiring qualifications of future teachers. No longer would teachers be hired simply for being outstanding members of the community who were viewed as possessing high moral and ethical standards. In turn, teacher evaluations would no longer be conducted with a simple moral and ethic lens. In the early 1940s philosophies and frameworks regarding teacher evaluation such as the Ohio Reaching Record began appearing in literature (Ellett & Teddlie, 2003).

Teacher preparation and evaluation in the USA from 1950-1980.

In the 1950s and 1960s educational researchers began to focus their attention to teacher behaviors that resulted in student outcomes. Although the certification requirements across the states continued to be greatly diverse, evaluations began to reflect the teaching methods used in the classrooms. During this era, teacher evaluators would often use checklists that included teacher behaviors that, according to research at the time, were more apt to produce positive student outcomes (e.g., OSCAR, CASES, STARS, FLANDERS, PORS) (Ellett & Teddlie, 2003). In addition, educational literature placed a large emphasis on classroom observations and evaluations.

Throughout the 1970s classroom-based studies continued to produce theories regarding effective teaching practices and student outcomes. According to Ellet (2003), the predominant paradigm for research on teaching became known as process-product research, and elements of teaching documented as important in the literature began to frame criteria appearing on many teacher evaluation systems.

Educational policy and reform movements.

Although the United States Constitution provides each state the authority to make decisions regarding teacher education, licensing and school curricula, national level policy makers beginning in 1958 have used their authority to create policies during times of perceived educational crisis. These perceived times of crisis as presented through reports such as the National Defense Education Act (NDEA, date), the 1965 Elementary and Secondary Act (ESEA) and the 1992 reauthorization of the Higher Education Act (HEA) and *A Nation at Risk*: *The imperative for education reform* created the urgency

necessary to force states to abide by specific education reforms including those related to teacher education, certification and licensing.

The *No Child Left Behind Act* of 2001 is the most significant component of educational reform in the past fifty years. This act calls for all students to achieve proficiency or higher in the areas of reading and mathematics by the school year 2013-2014. Despite all of the professional development and policy changes, many gaps in achievement are still evident. In 2011, states across the nation are continuing to re-evaluate state standards, enact increased legislation regarding teacher evaluation and prohibit collective bargaining. Individual school districts are evaluating their compensation structures and increasing teacher accountability for student performance.

Teacher effectiveness.

The perception of a good teacher has evolved from the concept of teacher quality to the concept of teacher effectiveness. Student achievement is the difference between these two terms. A teacher can possess the characteristics of a quality teacher, yet if the teacher's students do not achieve academically then the teacher is not deemed effective. Thus, teacher quality and teacher effectiveness are very different. According to Laura Goe, teacher qualifications, characteristics, and practices are all used to define teacher quality and exist independently of student achievement, whereas teacher effectiveness is wholly dependent on student achievement (Goe & National Comprehensive Center for Teacher Quality (US), 2007). The paradigm of teacher evaluation has shifted from a teacher-centered focus to a learner-centered focus.

The theory that student achievement is most affected by an effective teacher still exists, however research connecting the characteristics and practices of quality teachers to student achievement, is limited. Researchers use a variety of definitions for a quality or effective teacher and research is more likely to be found on effective teaching versus the effective teacher. New legislation being passed will evaluate and compensate teachers, at least in part, for their students' academic achievement. They will be asked to be more than quality teachers, they will be asked to be effective teachers. In the state of Colorado, the Educator Effectiveness Council crafted the following definition of an effective teacher.

> Effective teachers in the state of Colorado have the knowledge, skills and commitments that ensure equitable learning opportunities and growth for all students. They strive to close achievement gaps and to prepare diverse student populations for postsecondary success. Effective teachers facilitate mastery of content and skill development, and identify and employ appropriate strategies for students who are not achieving mastery. They also develop in students the skills, interests and abilities necessary to be lifelong learners, as well as for democratic and civic participation. Effective teachers communicate high expectations to students and their families and find ways to engage them in a mutually supportive teaching and learning environment. Because effective teachers understand that the work of ensuring meaningful learning opportunities for all students cannot happen in isolation, they engage in continuous reflection, on-going learning and leadership within the profession (The State Council for Educator Effectiveness, 2011).

This definition follows Laura Goe's theory of teacher effectiveness by including teacher qualifications, characteristics and practices as well as an expectation for student achievement. This definition will assist policy makers and school district administrators in the state of Colorado to establish indicators of teacher effectiveness that can be used within the teacher evaluation process.

Principal Effectiveness

Principals are important contributors to the effectiveness of schools. During a time of accountability reform and shared decision making in schools, good leadership matters. Existing effective schools research tells us that effective principals influence a variety of school outcomes, including student achievement, through their recruitment and motivation of highly qualified teachers, their ability to identify and articulate school vision and goals, their effective allocation of resources and their development of organizational structures to support instruction and learning (Rice, 2010). Principals are also responsible for teacher evaluation. Even if the quality of the evaluation instrument being used is outstanding, if the principal does not support it, it has little meaning. Although the importance of the principal for the implementation of educational policy on teacher evaluation is widely recognized, research on the role of the principal when implementing and conducting teacher evaluation is limited (Rice, 2010).

Being able to create an environment of trust and efficacy for students, teachers and parents is a critical role of the principal and one, which makes a difference in student achievement. This critical environment helps to recruit and retain highly qualified teachers. Survey and case-study research suggests that teachers greatly value competent, supportive, innovative and fair principals who place the well-being of students at the forefront of a school's agenda (Goldhaber, 2007). In fact, an in-depth study of Chicago schools revealed that the level of effective social relationships, called relational trust, in schools is far more important than curricular or pedagogical reforms for improving student achievement (Slotnik, 2010).

Summary

Although performance based compensation is not a new term, the current interest which links a teacher or principal's performance more directly to student achievement is gaining much attention. Research regarding the effectiveness of performance based compensation programs shows mixed results and has been difficult to gather due to the great number of variables present. Regardless of whether or not the research supports that performance based compensation systems are effective, the current political climate continues to push the initiative forward.

Many studies emphasize the need for stakeholder input in order for a compensation system to be effective. Teachers' attitudes have been gathered by various research studies and continue to be monitored by teacher unions. However, school principals, who are often the sole person responsible for recruiting and retaining high quality teachers and for evaluating those teachers, have not had much of a chance to voice their opinions and concerns regarding performance based compensation systems. By filling this gap in the research, compensation systems will have a greater chance of being successfully implemented.

Chapter Three: Methodology

Purpose of the Study

This study is concerned with identifying the attitudes of school principals in the state of Colorado toward performance based compensation systems that either significantly alter or replace traditional compensation systems for both teachers and principals. Although some school districts have implemented components of performance pay, the degree to which traditional compensation systems are predicted to be changed is substantial. Currently, little research is available regarding school principals' attitudes of these types of performance based compensation systems. This study is an attempt to gain data relative to the state of Colorado that can be used by state legislators and administrators, local boards of education, district administrators, teacher organizations and others who may be interested in the attitudes of principals related to performance based compensation systems when developing or revising such a system.

Study Sample

All principals in the state of Colorado who are currently employed at public elementary, middle and high schools were contacted to participate in this attitude survey. The total sample represented principals from approximately 178 school districts across the state of Colorado. Because they are not subject to the same rules, regulations and statutes as public schools, charters, private, vocational and online school principals were

omitted from this study. Email addresses were obtained from school district websites linked from a directory located at the Colorado Department of Education website. This sample included rural, suburban and urban school district principals who work in schools that have students from a variety of socio-economic backgrounds.

Development of the Survey Instrument

A review of literature revealed that several survey instruments exist that have been used to measure teacher attitudes related to compensation or pay for performance. However, an instrument specifically designed for school principals could not be located. Therefore, the researcher modified questions from the following surveys to be used with Colorado school principals:

1. A survey designed by the American Association of School Administrators in a study entitled Exploring the Possibility and Potential for Pay for Performance in America's Public Schools (Ellerson, 2009).
2. A survey used to collect data regarding teacher attitudes related to performance pay in a dissertation written by David Anthony Sautte' (Sautte, 1987).
3. A survey designed by Catherine Farrell and Jonathan Morris in a study entitled Resigned Compliance: Teacher Attitudes towards Performance-Related Pay in Schools (Farrell & Morris, 2004).
4. A survey conducted by the National Center on Performance Incentives at Vanderbilt University for schools participating in the Teacher Incentive Fund program (Heyburn, Lewis, & Ritter, 2010).

The survey began with general demographic information that has been used to compare respondent's attitudes based on their individual demographic characteristics. These demographic categories included: gender, age, years experience, highest level of education, school AYP status and school location category (urban, rural or suburban).

The following three questions from the American Association of School Administrators (AASA) study were identically replicated:

1. If your district were to implement a pay for performance plan, please indicate the levels where you think performance pay should be included in evaluations.
2. Of the system and individual indicators listed below, please mark those you would consider in a pay for performance model:
3. What obstacles do you expect/have you experiences in implementing a pay for performance program?

Specifically, question one was included to help identify the principal attitudes related to the various educator groups that the principals felt should be included if a performance based compensation system were to be implemented. Question two was included in this study to determine the principals' attitudes toward factors that have been previously identified by AASA that could be included in a system of performance based compensation. Although the study conducted by AASA was designed for administrators, the majority of the respondents were superintendents and assistant superintendents. By replicated these three questions in this research, comparisons can be made between the attitudes of administrators versus those of principals.

Questions 13-23 were taken from a survey conducted by David Anthony Sautte (Sautte, 1987). These questions were chosen from a list of 16 questions because of their

focus on possible implementation concerns. The final survey was created using the Survey Monkey online surveying tool.

To increase the validity of the survey instrument used, an expert review of the survey was conducted with seven experts in the field of education and compensation reform. Each expert was given a draft of the survey instrument with an additional questionnaire to complete regarding the survey instrument. Each expert was asked 1) how long it took them to complete the survey; 2) did the survey measure principal attitudes toward performance based compensation? (validity); 3) did the survey gather principal concerns toward performance based compensation? (validity); 4) if the survey were given to respondents a second time, would their responses be essentially the same? (reliability); 5) to list any other suggested questions; 6) to list any suggestions they might have to improve the survey.

Once the expert review of the survey was completed, the researcher reviewed the feedback from the experts and revised the survey instrument. Based on the feedback from the expert review, the questions on the survey were not changed. However, the formatting of the survey was improved to allow the respondent more text space to enter their answers to the open-ended questions. All participants in the expert review reported that the survey took between 11-16 minutes for them to complete. Therefore, the length of the survey remained the same in the final version.

Collection of the Data

After creating the survey using Survey Monkey, a link was created that was attached to an email for distribution to the requested participants of the study. An email

was sent to each requested participant outlining the purpose of the study and the link where they may access the survey. The survey remained open for 30 days and a reminder email was sent to requested participants at the beginning of each week. Once the survey was closed, the data were collected and sorted using the Survey Monkey tool.

Data Analysis Measures

The following descriptive statistics were used for measures of central tendency:

1. Frequencies
2. Means
3. Percentages
4. Standard deviations

One-Way ANOVAs were used to determine analysis of variance and significant differences between demographic groups.

Protection of Human Subjects

Confidentiality of principal data is of the utmost concern for the researcher. Surveys were submitted electronically to Survey Monkey to ensure confidentiality. Respondents were not asked to reveal their identity on the survey.

Chapter Four: Presentation and Analysis of Data

This chapter is a presentation and analysis of the data that were collected in a manner consistent with the methodology described in Chapter Three. This study investigated school principal attitudes in the state of Colorado toward performance based compensation systems for both teachers and principals. Inferential statistics were used to identify the attitudes of Colorado principals towards factors that could be considered in the implementation of a performance based compensation system. The demographic data that principals supplied on the survey instrument were tested against their attitudes to determine if correlational patterns or relationships existed between principal attitudes and certain demographic variables. In addition, the principals provided open-ended responses regarding their concerns related to performance based compensation. These responses were coded and analyzed to identify patterns and trends.

The participants in this study completed a 21-item online survey designed by the researcher. Questions included in the study were chosen and modified from previous research studies as outlined in the Development of the Survey Instrument section of Chapter Three. Participants were asked to respond to six demographic questions and fourteen statements about the factors of performance based compensation. Additionally, one open-ended question was included to identify concerns related to performance based compensation that may or may not have been included in the other questions.

Survey Respondents

As calculated from the Colorado Department of Education list of schools and districts, there are 1225 public school principals employed across the state. Of these 1225 principals, 47% (n=578) are male and 53% (n=647) are female. Additionally, of these 1225 Colorado principals, 355 are employed in rural locations (29%), 269 principals work in urban schools (22%) and 601 principals work in suburban schools (49%).

The survey instrument was sent to 1,225 email addresses of principals identified from the Colorado Department of Education list of districts, schools and leaders as well as school district websites. Sixty-two emails were rejected due to incorrect and/or changed email addresses. A total of 1,163 surveys were successfully sent to valid email addresses. A total of 444 respondents completed the survey resulting in a 38.2% response rate.

Participants of the survey were closely balanced according to gender. Of the 444 surveys returned, 54.7% were from females (n=243) and 45.3% were from males (n=201). All respondents reported their gender.

Table 1

Gender

Gender	Survey Respondents n	%	Public School Principals in Colorado n	%
Female	243	54.7%	647	53%
Male	201	45.3%	578	47%
No Response	0	0%		
Total	444	100%	1225	100%

Participants were asked to identify their age based on eight choices: (1) under 22, (2) 22-28, (3) 29-33, (4) 34-40, (5) 41-45, (6) 46-50, (7) 51-55 or (8) over 55. All respondents indicated their age. There were no respondents that reported an age lower than 29 years. Of those respondents older than 29 years, 9 were between the ages of 29 and 33 (2.0%). 73 respondents reported to be between 34 and 40 years of age (16.4%). There were 90 respondents who reported their age between 41 and 45 (20.3%). Similarly, 92 respondents reported to be between 46 and 50 years old (20.7%). Representing the largest age group at 21.6% were 96 respondents. Finally, 84 respondents reported to over 55 years of age (18.9%).

Table 2
Age

Age	n	%
under 22	0	0%
22-28	0	0%
29-33	9	2.0%
34-40	73	16.4%
41-45	90	20.3%
46-50	92	20.7%
51-55	96	21.6%
over 55	84	18.9%
Total	444	100%

Participants were asked to indicate their number of years of principal experience within ranges. The smallest percentage of respondents (6.5%) reported less than one year of principal experience. The largest percentage of respondents (25.9%) reported 4-6 years of experience. Respondents with 1-3 years of principal experience comprised 17.3% of the total and those with 10-15 years of principal experience represented 18.5% of the total number of respondents. 67 respondents reported the most principal experience (over 15 years) and represented 15.1% of the total.

Table 3

Total Years of Principal Experience

Total Years of Principal Experience	n	%
less than 1	29	6.5%
1-3	77	17.3%
4-6	115	25.9%
7-9	74	16.7%
10-15	82	18.5%
over 15	67	15.1%
Total	444	100.0%

Principals were asked to indicate the highest academic degree that they had earned (Table 4). Only 2 respondents reported holding only a bachelor's degree (0.5%). The majority of respondents, 366 (82.4%), reported holding a master's degree. An advanced degree including EdD or PhD was held by 76 (17.1%) of the respondents.

Table 4

Highest Level of Education

Highest Level of Education	n	%
master's degree	366	82.4%
advanced degree	76	17.1%
bachelor's degree	2	0.5%
Total	444	100%

Principals were asked to identify whether or not their schools were making "Adequate Yearly Progress" (AYP) as defined in No Child Left Behind. Only 3 (.7%) of the respondents did not know whether their school had made AYP. Of the remaining respondents, the majority of respondents (53.6%) indicated that their school was making AYP whereas 45.7% indicated the opposite. Results are displayed in Table 5.

Table 5

Annual Yearly Progress (AYP)

Annual Yearly Progress (AYP)	n	%
yes	238	53.6%
no	203	45.7%
I don't know	3	0.7%
Total	444	100%

In the state of Colorado, school districts can be categorized as rural, urban or suburban. However, there are very large school districts that are close to urban areas but comprise a very large geographic region. For the purpose of this study, large districts with large geographic regions are considered suburban. In the survey, respondents were asked to indicate if their school district was rural, urban or suburban. Results are displayed in Table 6. 167 respondents indicated that their school resides within a rural category. The smallest number, 90 respondents, reported that their school was in an urban location. 184 respondents indicated their school is suburban.

Table 6

Geographic Categories

	Survey Respondents		State of Colorado Demographics	
Geographic Categories	n	%	n	%
Suburban	184	41.4%	601	49%
Rural	167	37.6%	355	29%
Urban	93	20.9%	269	22%
Total	444	100%	1225	100%

Performance Based Compensation Factors

Participants were asked to respond to a hypothetical question that stated, "If your district were to implement a pay for performance plan, please indicate the levels where you think performance pay should be included in evaluations." A total of 410

participants responded to this question and 82.4% of them indicated that all three levels (teacher, principal and administrator) should be included (Figure 1). 52 respondents (12.7%) indicated that performance pay should be included in only teacher evaluations. 14 believed that performance pay should only be for principals and 6 indicated that it should only be for administrators. 34 respondents chose not to respond to this question.

Forty respondents provided comments in this section regarding the educational levels that should be included in a performance based compensation system. Fifteen respondents provided comments that showed their disagreement with the implementation of a system for performance based compensation. For example, one respondent wrote, "Pay for performance is an ineffective change strategy." Other comments included, "I do not have a positive attitude toward pay for performance on any level," "I am opposed to pay for performance unless it is for bonuses only. I don't believe it should be part of the regular salary," "Do not support pay for performance-encourages competition between schools and teachers instead of collegiality" and "None. Chasing financial incentives may not result in decisions that are best for students."

Seven of the respondents indicated that their district already had a pay for performance plan. Out of these seven comments, three indicated that their current plan includes teachers, principals and administrators. The other four of these respondents did not indicate which levels were currently included in their PBC systems.

Nine comments were left in this section that indicated only teachers and principals should be included in a PBC system. This option was not provided in the structured question on the survey. Finally, 3 comments were made that indicated classified support

staff should also be included in a system for performance pay. Overall, 25% of these comments seemed to have a neutral attitude towards performance based compensation, 35% were more positive towards PBC in that they indicated additional educator groups that should be included in such a system and 40% were negative comments towards performance based compensation.

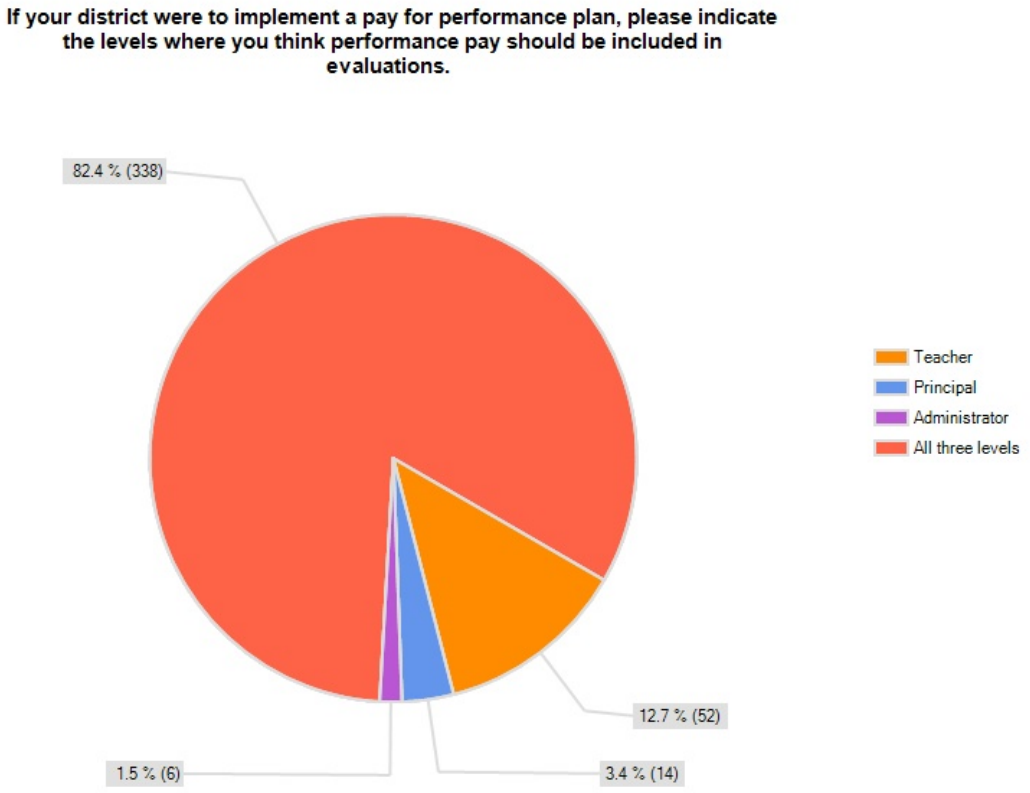

Figure 1. Participants indicated the job groups that should be included in performance based compensation plans.

Participants were asked to consider individual factors that should be considered in a performance based compensation model. Out of 410 respondents to this question, 88.5% (n=363) indicated that student achievement should be considered. All question

options were selected by at least 50 respondents. Including teacher grievances as part of a performance based compensation model was the least favored as only 12.2% of the respondents selected this option. In addition to the listed options provided by the researcher, respondents were able to provide additional commentary.

Respondents left a total of 48 comments for this question on the survey. Other factors that were suggested by the respondents included: student growth (n=23), progress toward individual or school goals, professionalism, principal standards and high needs population considerations. The following comments are representative of the comments left in this section: "I believe that student achievement should be measured by more than CSAP scores," "Student achievement measured in growth," "Achievement as measured by the growth model," "student growth, regardless of proficiency level". "I have issues with all of them. Concerned about the level of reliability," "None of the above can be effectively measured and linked to educator," "none of the above…each will simply game the system and detract from the purpose of education," are a few of the quotes left by the 9 respondents who expressed their disapproval with performance based compensation systems. Complete results are listed in Figure 2.

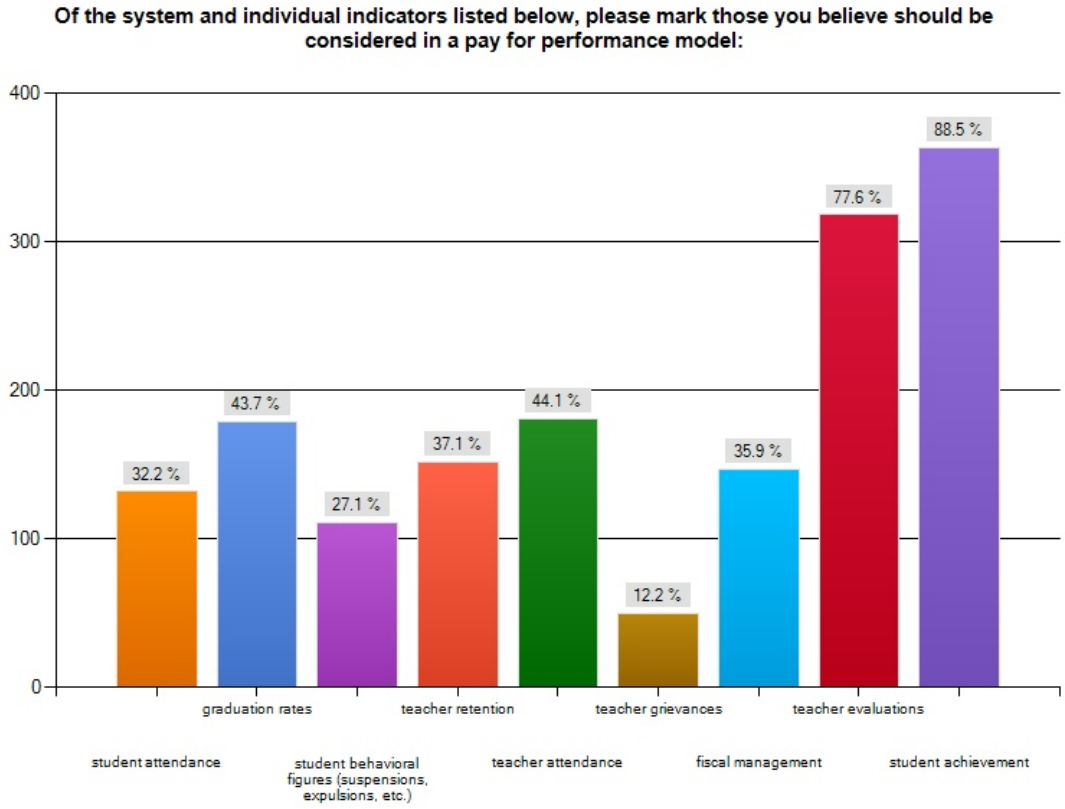

Figure 2. Participants indicated factors that should be considered in a pay for performance program.

Participants were asked to identify the obstacles that they have either experienced or believe they would experience in the implementation of a pay for performance program. According to the participants who answered the question (n=410), their three largest identified obstacles are: the capacity to link teacher evaluation and/or student achievement to evaluations (82.9%), teacher union resistance (67.1%) and cost (55.9%).

A total of forty respondents left comments in the section provided for this question, respondents indicated that there is currently a lack of clean data available for all employee groups (n=9). For example, one respondent replied, "I think there are issues

even with student growth-really, at least at the middle school level, there are multiple teachers who should be instructing students in reading and writing, not just the English teacher-how do we decide how to weight this?" Additionally, some respondents (n=6) were concerned that demographic differences between schools and districts would cause unfair pay for performance results. Comments included, "Schools with high poverty/high mobility/ELI population make slower growth," "Socio-economic disparity between and among schools," and "Differences in academic achievement and student behavior that are inherent with demographic differences." Six respondents indicated that they did not answer the question because they do not believe a pay for performance program should be considered at all. Finally, three respondents indicated that they have concerns that a pay for performance system would lead to competition rather than collaboration. For example, "These systems will create an adversarial relationship within an environment that needs collaboration and team synergy to meet the needs of students," was one of the comments submitted. Complete results are reported in Figure 3.

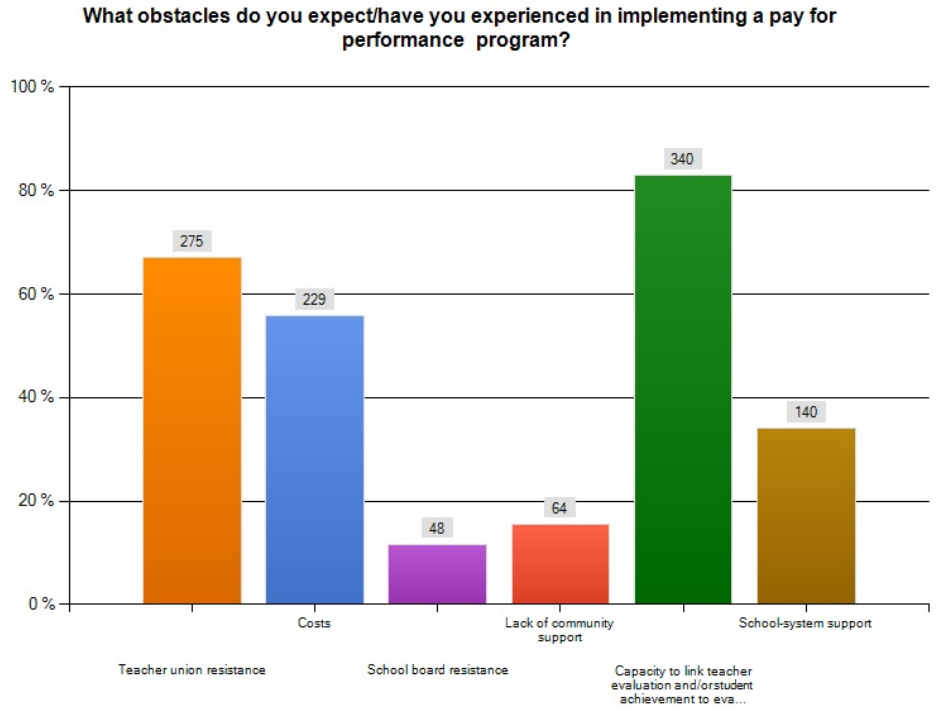

Figure 3. Participants identified the concerns that they would have in implementing a performance based compensation system.

Principal Attitudes Regarding Performance Based Compensation

Participants were asked to respond to a series of statements regarding performance based compensation and indicate their level of agreement or disagreement using a 5 point likert scale that ranged from strongly disagree to strongly agree. Results are reported in Table 7.

Table 7
Performance Pay Statements

Performance Pay Statement	**Strong Disagree**	**Dis-agree**	**Undecided**	**Agree**	**Strong Agree**	**#**
1. Administrators should be included in the rating of teachers for PBC	2.2% (9)	3.4% (14)	9.8% (40)	50.1% (204)	34.4% (140)	407
2. My teachers trust me to give them a fair and reasonable evaluation	.7% (3)	1.2% (5)	7.8% (32)	65.3% (267)	24.9% (102)	409
3. Self-evaluations should be included in rating teachers and principals for PBC	2.5% (10)	7.6% (31)	11.8% (48)	51.8% (211)	26.3% (107)	407
4. My school district has implemented an evaluation system that allows me to fairly and accurately evaluate teachers	3.2% (13)	14.7% (60)	16.9% (69)	54.4% (222)	10.8% (44)	408
5. My school district has implemented an evaluation system that allows my supervisor to fairly and accurately evaluate me.	4.9% (20)	14.9% (61)	21% (86)	51% (209)	8.3% (34)	410
6. PBC results in a lack of collaboration among staff	12.6% (51)	29.6% (120)	32.8% (133)	16% (65)	9.1% (37)	406
7. PBC results in resentment among teachers	5.6% (23)	24% (98)	29.7% (121)	28.9% (118)	11.8% (48)	408
8. PBC is problematic because it is difficult to link the work done in schools to individual performance	3.7% (15)	24.6% (100)	12.8% (52)	39.1% (159)	19.9% (81)	407
9. PBC will have a positive impact on teacher recruitment	7.9% (32)	20.9% (85)	33.7% (137)	31% (126)	6.4% (26)	406
10. PBC will lead to better and more effective teaching	6.9% (28)	17.5% (71)	31.5% (128)	36.9% (150)	7.1% (29)	406
11. PBC will lead to improved student achievement	6.4% (26)	16.7% (68)	32.6% (133)	37.7% (154)	6.6% (27)	408

The results reported in Table 7 show a clear difference between the questions that deal with the results or effects of performance based compensation and those questions that deal with the more concrete factors that may be included in performance based compensation systems. For example, the percentage of undecided responses from questions 1-5 and 8 range from 7.8% to 21%. These questions all have to do with the factors or individual indicators that may be included in a PBC system. However, in the questions 6,7,9,10 and 11, principals are asked to give their perception on the results or effects that might occur in a PBC system. In these areas many more respondents reported that they are undecided. For example, when asked if PBC will result in better or more effective teaching, will result in a lack of collaboration among teachers, will lead to improved student achievement or will have a positive impact on teacher recruitment, the percentage of principal respondents in the undecided category ranged from 31.5% to 33.7%.

Analyzing the Relationship Between Attitudes and Demographics

ANOVAs were run by the demographic categories of: years of experience, highest level of education, AYP status of school and school region to determine if the responses to the survey differed by demographic characteristics. Results are considered significant at $p < .05$. Although all eleven attitude items were run by the demographic categories listed above, only the categories of AYP status and school region produced significant differences in results.

Principals were asked to indicate whether or not the school in which they currently work has met Annual Yearly Progress as required by No Child Left Behind.

Although ten out of the eleven attitude questions produced no significant differences between those principals whose schools met AYP (AYP principals) versus those principals whose schools did not meet AYP (No AYP principals), question number 2 did produce significant differences. Question 2 states, "My teachers trust me to give them a fair and reasonable evaluation." A significantly greater percentage of respondents in schools meeting AYP agreed with the statement. The mean of the "AYP principals" was 4.22 and the mean of the "No AYP principals" was 4.02. Complete ANOVA results or question 2 as compared to AYP status are reported in Figure 4.

Analysis of Variance results: AYP Comparison Regarding Trust

Column means

Column	n	Mean	Std. Error
Yes	215	4.2232556	0.04045055
No	193	4.0207253	0.05034346

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	1	4.1717296	4.1717296	10.01013	0.0017
Error	406	169.20082	0.4167508		
Total	407	173.37254			

Figure 4. A significant difference of means was discovered between principals in schools that met AYP versus principals in schools that did not meet AYP.

The largest number of significant differences of mean occurred when the principal attitudes were divided by the principal's school region and then compared to each other. Principals were asked to identify whether the school in which they currently work would be considered rural, urban or suburban. A significant difference between these three

groups was found in statement 3 (Self-evaluations should be included in rating teachers and principals for PBC). In questions 6, 9, 10 and 11, a one-way ANOVA test showed significant differences between the regions. Post hoc analyses using the Scheffe post-hoc criterion for significance indicated that there is a significant difference of means between the urban group as compared to both the suburban and rural groups. (figure 5)

ANOVA

Level

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.936	2	5.968	4.734	.009
Within Groups	508.096	403	1.261		
Total	520.032	405			

Post Hoc Tests

Multiple Comparisons

Dependent Variable: Level

Scheffe

(I) Region	(J) Region	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Urban	Suburban	-.41412*	.15125	.024	-.7857	-.0425
	Rural	-.43525*	.15205	.017	-.8088	-.0617
Suburban	Urban	.41412*	.15125	.024	.0425	.7857
	Rural	-.02113	.12497	.986	-.3282	.2859
Rural	Urban	.43525*	.15205	.017	.0617	.8088
	Suburban	.02113	.12497	.986	-.2859	.3282

*. The mean difference is significant at the 0.05 level.

Figure 5: Scheffe post-hoc comparison shows significant difference identified between the urban and suburban group as well as the urban and rural group.

Principals in all 3 region groups tend to have similar attitudes regarding the evaluation system that they use with teachers and the evaluation system that their supervisors use with them. However, differences in attitudes occur when principals respond to the idea that self-evaluations should be included in rating teachers and principals for performance based compensation. As shown in Figure 6, principals in suburban areas (M=4.08) tend to more strongly agree that self evaluations should be included in PBC systems than do principals in urban schools (M=3.71).

Analysis of Variance results: Including Self-Evaluations By Region

Column means

Column	N	Mean	Std. Error
rural	158	3.8607595	0.07429876
urban	83	3.7108433	0.107778735
suburban	166	4.0783134	0.071998015

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	2	8.345447	4.1727233	4.7091613	0.0095
Error	404	357.97888	0.88608634		
Total	406	366.3243			

Figure 6: Principal attitudes about including self-evaluations into PBC systems as compared by region (rural, urban, suburban)

In the following four questions, the principal respondents in the rural and suburban groups show no significant differences in mean (Figures 7,9,11 and 13). However, the ANOVA results comparing all 3 groups uncover significant differences of mean between the urban principals versus the rural and suburban principals. Principals in the urban regions tend to disagree with the rural and suburban principals about whether or not PBC will result in a lack of collaboration among staff. Figure 8 shows the ANOVA results for question 6. Although many principals overall indicated that they were undecided in regards to this question (n=133), principals in urban areas tended to disagree more strongly than principals in either suburban or rural areas. Although a t-test is the more traditional statistic to use with two variables, the researcher chose to use a one-way ANOVA when comparing the rural and suburban groups throughout the study to provide consistency in reporting results.

Analysis of Variance results-Comparing Rural and Urban and Lack of Collaboration
Column means

Column	n	Mean	Std. Error
rural	159	2.8930817	0.08398141
suburban	164	2.871951	0.09036954

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	1	0.036046218	0.036046218	0.029256713	0.8643
Error	321	395.49338	1.2320665		
Total	322	395.52942			

Figure 7. ANOVA results show no significant difference in mean between the rural and suburban groups for question 6.

Analysis of Variance results-Comparing Rural, Urban and Suburban and Lack of Collaboration
Column means

Column	n	Mean	Std. Error
rural	159	2.8930817	0.08398141
urban	83	2.4578314	0.12862574
suburban	164	2.871951	0.09036954

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	2	11.936245	5.9681225	4.733661	0.0093
Error	403	508.09576	1.2607836		
Total	405	520.03204			

Figure 8. Principal attitudes about whether or not PBC will lead to a lack of collaboration when compared by region (rural, urban, suburban).

Another area where principals disagree depending on their region is on question 9, which states that Performance Based Compensation will have a positive impact on teacher recruitment. ANOVA results for question 9 comparing all 3 groups are displayed

in Figure 10. Urban and suburban principals tend to largely disagree on this statement.

Suburban principals show the strongest level of disagreement in this area (M=2.98).

Analysis of Variance results-Comparing Rural and Suburban and Teacher Recruitment
Column means

Column	n	Mean	Std. Error
rural	161	3.0248446	0.08025111
suburban	167	2.9820359	0.08255753

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	1	0.15022232	0.15022232	0.13801022	0.7105
Error	326	354.84674	1.0884869		
Total	327	354.99695			

Figure 9. ANOVA results showing no significant differences of mean between the rural and suburban groups for question 9- Teacher Recruitment.

Analysis of Variance results-Comparing Rural, Urban and Suburban and Teacher Recruitment

Column means

Column	n	Mean	Std. Error
rural	161	3.0248446	0.08025111
urban	81	3.382716	0.11050934
suburban	167	2.9820359	0.08255753

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	2	9.513802	4.756901	4.450183	0.0123
Error	406	433.98254	1.0689225		
Total	408	443.49634			

Figure 10. Principal attitudes regarding whether or not PBC will have a positive impact on teacher recruitment as reported by region.

Overall, more principal respondents agree than disagree that performance based compensation will lead to better and more effective teaching. There is no statistically significant difference between the rural and suburban groups on this question (Figure 11). However, when the urban group is compared to either the rural group or the suburban group, a statistically significant difference appears (Figure 12). Principals in urban schools agree to a stronger degree that performance based compensation systems will lead to better and more effective teaching.

Analysis of Variance results-Comparing Rural and Suburban and Effective Teaching
Column means

Column	n	Mean	Std. Error
rural	158	3.1392405	0.083495915
suburban	167	3.1137724	0.08121221

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	1	0.052660093	0.052660093	0.047808893	0.8271
Error	323	355.77502	1.1014707		
Total	324	355.8277			

Figure 11. The chart above shows that there is no statistically significant difference between the rural and suburban groups on question 10, PBC will lead to better and more effective teaching.

Analysis of Variance results-Comparing Rural, Urban and Suburban and Effective Teaching
Column means

Column	n	Mean	Std. Error
rural	158	3.1392405	0.083495915
urban	81	3.493827	0.1026252
suburban	167	3.1137724	0.08121221

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	2	8.817956	4.408978	4.1903915	0.0158
Error	403	424.02194	1.0521636		
Total	405	432.8399			

Figure 12. ANOVA results show a significant difference between the urban versus suburban or rural groups regarding whether or not PBC will result in better and more effective teaching.

Lastly, question 11 also produces results that show a significant difference between the urban versus rural and suburban groups (Figure 14), but no significant difference between the rural and suburban groups themselves (Figure 13). Urban principal respondents tend to agree to higher level that performance based compensation will lead to improved student achievement.

Analysis of Variance results-Compating Rural and Suburban and Student Achievement
Column means

Column	n	Mean	Std. Error
rural	158	3.1455696	0.08318517
suburban	167	3.1616766	0.07845514

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	1	0.021063035	0.021063035	0.019876208	0.888
Error	323	342.28662	1.059711		
Total	324	342.30768			

Figure 13. This figure shows that there is no significant difference between the rural and suburban groups in regards to question 11.

Analysis of Variance results-Comparing Rural, Urban and Suburban and Student Achievement
Data stored in separate columns.
Column means

Column	n	Mean	Std. Error
rural	158	3.1455696	0.08318517
urban	83	3.4578314	0.09892339
suburban	167	3.1616766	0.07845514

ANOVA table

Source	df	SS	MS	F-Stat	P-value
Treatments	2	6.130569	3.0652845	3.0361297	0.0491
Error	405	408.88904	1.0096025		
Total	407	415.01962			

Figure 14. This figure shows that there is a significant difference of means between the rural and suburban groups as compared to the urban group in regards to question 11.

Performance Based Compensation Concerns-Open Ended Comments

The third research question presented in this study states, "What are the areas of concern that principals have related to the implementation of a performance based

compensation system?" On the survey, principals were asked to list and prioritize their top 4 concerns related to performance-based compensation. A total of 299 (67%) participants contributed at least one concern. 254 (57%) participants listed a second concern. 176 (40%) participants contributed a third concern and 93 (21%) participants contributed a fourth concern. Keeping each priority list separate, the researcher read through each of the 822 listed concerns and coded the responses identifying the common themes for each priority. Priority one concerns resulted in 14 themes being identified (Table 9).

Priority two concerns, shown in Table 10, were the same as priority one although in slightly different order. For example, concerns regarding collaboration versus competition were the third most popular concern under priority two when they were the fifth most popular concern in priority one. In addition, an addition theme emerged in priority two. 5 respondents listed comments in the priority two section that dealt with a concern regarding the lack of teacher buy-in, understanding and support.

The same process was used to evaluate priority three and priority four concerns. Each of these levels produced additional themes as well. Three additional themes emerged in the priority three section of the survey including: (a) evaluation process for principals, (b) principal trust, (c) worry about losing job and/or pay. Administrator buy-in emerged as an additional theme in the level four priority.

Finally, the concerns from all four priorities were combined to reveal the top five overall themes. The survey did not prevent a participant from entering the same concern

in each of the priority boxes. However, because the response rate for each priority gradually decreased, the researcher assumes that this would have been a rare occurrence. The top 5 themes in priority order are listed in Table 11.

Table 9

Priority One Themes in Order of Frequency

Priority One Themes in Order of Frequency	
1	Concerns regarding effectively using assessment to measure performance of all teachers/equity between teachers
2	Concerns regarding the Evaluation. (time for principals to learn, consistency from school to school, time for principals to evaluate, quality evaluation tool)
3	Concerns regarding clear PBC components and "weights"
4	Money/Costs related to PBC
5	Collaboration v. Competition
6	Equity among classrooms, schools and districts across the state. Poverty, unequal resources
7	Not in Favor of PBC due to philosophical/lack of research concerns
8	PBC will lead to culture and morale issues
9	PBC will lead to unethical practices
10	Concerns related to fairness-fair process, fair system, fair criteria
11	Union concerns and barriers to dismissing ineffective teachers
12	Factors or variables out of the schools control (parent support, attendance, etc)
13	Concerns related to teacher development and retention
14	Concerns about teachers becoming selective about which students they want in their classes

Table 10

Priority Two Themes in Order of Frequency

Priority Two Themes in Order of Frequency	
1	Concerns regarding effectively using assessment to measure performance of all teachers/equity between teachers
2	Concerns regarding the Evaluation. (time for principals to learn, consistency from school to school, time for principals to evaluate, quality evaluation tool)
3	Collaboration v. Competition
4	Equity among classrooms and districts across the state. Poverty, unequal resources
5	Money/Costs related to PBC
6	Culture and Morale Issues
7	Not in Favor of PBC due to philosophical/lack of research concerns
8	Concerns related to fairness-fair process, fair system, fair criteria
9	Union concerns and barriers to dismissing ineffective teachers
10	Factors or variables out of the schools control (parent support, attendance, etc)
11	Concerns regarding clear PBC components and "weights"
12	Will lead to unethical practices
13	Concerns related to teacher development and retention
14	Concerns about teachers becoming selective about which students they want in their classes
15	Lack of teacher buy-in, understanding and/or support

Table 11

Top 5 Concerns By Theme

Top 5 Concerns By Theme	
1	Concerns regarding effectively using assessment to measure performance of all teachers/equity between teachers
2	Concerns regarding the Evaluation. (time for principals to learn, consistency from school to school, time for principals to evaluate, quality evaluation tool)
3	Not in Favor of PBC due to philosophical/lack of research concerns
4	Equity among classrooms and districts across the state. Poverty, unequal resources
5	Collaboration v. Competition

Chapter Five: Summary, Conclusions and Recommendations

The purpose of this study was to identify the attitudes of school principals in the state of Colorado towards performance based compensation systems for both teachers and principals. This study was designed to address whether years of experience, highest level of education, AYP status or region of school were related to the principal's perceptions of performance based compensation, its implementation factors and how it may affect education. In addition, this study contained questions obtained from similar studies so that comparisons could be made between the attitudes of superintendents, principals and teachers regarding performance based compensation. Most studies related to the attitudes of individuals toward performance-based compensation are targeted primarily to teachers. Of the studies that were directed toward administrators, the majority of participants were superintendents or associate superintendents. There is a lack of research regarding principal's attitudes toward performance-based compensation.

The Race to the Top grant has provided funding to states that have demonstrated a system for tying student achievement to teacher performance. In addition, the grant encourages the states to compensate teachers and principals in new ways related to their effectiveness. Performance based compensation systems have been used in various forms throughout Colorado school districts for years. However, the stage is being set in Colorado so that new ways of implementing performance based systems of compensation can be considered. The Colorado Senate Bill 12-191 and the Colorado Effectiveness

Council have now created standards of teacher and principal effectiveness that could significantly contribute to a system that differentiates pay based on performance. The push towards performance based compensation is just part of the public and political belief that reform measures are needed to improve our educational system in the United States. Mainstream media often discusses performance based compensation as a solution to what is currently perceived as the failing educational system. Many studies have emphasized that stakeholders must be supportive for new initiatives to be successful and school principals have been recognized repeatedly as important contributors to the effectiveness of schools. The school principal is the person who is directly responsible for making sure teachers are following district and state policies as well as the Colorado Department of Education guidelines. The school principal is the person solely responsible for evaluating the effectiveness of the teachers in his or her school. It stands to reason that the attitudes of school principals regarding performance based compensation would be helpful to understand when considering the implementation of a system that links a teacher's effectiveness to their pay.

In order to identify the attitudes of principals toward performance-based compensation, the researcher developed a 21-item online survey that was, before distributed, subjected to an expert review by seven individuals with a variety of backgrounds and experiences. The survey link was distributed by email to public school principals in the state of Colorado as identified by the Colorado Department of Education list of districts and schools. Individual websites were used to confirm email address. Of the 1225 emails that were originally sent, 62 were rejected as invalid email addresses.

The Survey Monkey website was used to house the survey and it was available to participants from January 15, 2012 until February 15, 2012. Three reminder emails were sent to participants at the beginning of each week during the time the survey was open. Of the 1225 principals that were asked to participate, 38% responded. This strong response rate was also strongly representative of the general Colorado public school principal population. 55% of the principals in the state of Colorado are female whereas 53% of the survey respondents were female. 45% of the principals in Colorado are male and 47% of the survey respondents were male. In addition, the school regions were also similarly represented in this study with rural principals making up 29% (38% in Colorado), urban comprising 22% (21% in Colorado) and suburban principals representing 49% (41% in Colorado).

Respondents of this survey were generous with their time. Throughout the survey the respondents were able to leave comments and were prompted by open-ended questions. In total, respondents left forty comments discussing the various educational levels that should be included in PBC, 48 comments discussing the factors that should be included in PBC, forty comments regarding the obstacles that they perceived are standing in the way of PBC and 822 comments listing their concerns about performance based compensation. All of the comments were coded, analyzed and reported in chapter 4.

Summary of Survey Results

Overwhelmingly, principals agree that if a performance based compensation system is implemented in their district that it should be for all levels: teachers, principals and administrators. Although, some respondents indicated that teachers should be the

only group included 12.7%). In addition, several respondents indicated that if principals and teachers (without administrators) had been given as a choice, they would have selected that option.

The principal respondents attitudes were also very clear when it came to the factors that they believe should be included in PBC if such a system were to be implemented. Student achievement and teacher evaluations were the two factors that were chosen by over 30% more principals than any other factor. These results indicate that the respondents must agree with the criteria set forth by the Race to the Top grant, which encourages states to demonstrate a system for tying student achievement to teacher performance. In addition to student achievement and teacher evaluations, graduation rates and teacher attendance were identified by over 40% of the respondents. Student attendance, teacher retention and fiscal management were selected as factors for over 30% of the respondents. Most principals agree (87.8%) that teacher grievance issues should not be included as a factor in PBC.

Colorado principal respondents also identified the obstacles that they would expect to experience when or if a performance based compensation system is implemented. The number one obstacle identified by principals is their current capacity to link teacher evaluations and student achievement to an individual teachers total evaluation. According to Senate Bill 10-191, fifty percent of a teacher's total evaluation should be student achievement. The state requires the individual school districts to develop balanced assessment systems that can be used for this purpose. School districts across the state are currently working on these systems. However, there were no

indications given by the principals that responded to this survey that any district or school in the state of Colorado currently has an assessment system that can be used reliably or effectively for this purpose. In fact, many principals left comments regarding their concerns in this area. According to Murnane and Cohen (1986) this becomes the major difference between systems of performance based compensation between the business world and the world of education. Teaching is a collaborative effort where many teachers contribute to each student's achievement. It is difficult to pinpoint and give credit to a single teacher that is responsible for the achievement of a single student. So, although the principal respondents believe these two factors should be included in performance-based compensation if such a system is implemented, they emphasize that there is not a current or possibly effective system for making that happen.

When principals were asked to speculate about how performance based compensation would effect education, it is clear that they are undecided. According to the results of this study, the percentage of principals who think that PBC will result in resentment among teachers is almost exactly the same as the percentage of principals who are undecided (29.6% and 29.7% respectively). In addition, there were almost as many principals that reported that they are unsure if PBC will have a positive impact on teacher recruitment (n=137) as there were that reported that they agree that it will have a positive impact on teacher recruitment (n=152). Finally, although a greater percentage of principals agree that PBC will lead to both improved student achievement and better and more effective teaching, there is still a large percentage of principals that are undecided in these areas (31.5% and 32.6% respectively). Further research would need to be

conducted to explore what caused such a large percentage of principals to be undecided when it comes to how PBC will effect education.

By responding to a series of statements regarding the factors and beliefs related to performance-based compensation, the researcher was able to determine that the principal respondents have clear opinions regarding current practices and tools. For example, they believe that they have been provided with the tools necessary to fairly and reasonable evaluate teachers in their current system. They also believe that their supervisor has the tools necessary to fairly and reasonably evaluate them. In addition, the principals in this study agree that their teachers trust them to evaluate them fairly.

The principal respondents provided a total of 822 statements of concern. Fourteen separate themes were identified from these statements. The top five concerns were:

1. Concerns regarding effectively using assessment to measure performance of all teachers/equity between teachers
2. Concerns regarding evaluation (time for principals to learn, consistency from school to school, time for principals to evaluate, quality of evaluation tool).
3. Not in favor of PBC due to philosophical views or concerns about lack of research.

4. Concerns regarding the equity between classrooms and districts across the state due to poverty levels and unequal resources.
5. Concerns that performance based compensation will result in a decline in teacher collaboration and an increase in competition between teachers.

These findings indicate that there is not a strong general acceptance of performance based compensation systems by the principals who responded to this study.

Superintendents and Teachers

The purpose of this study was to determine the attitudes of principals in the state of Colorado on the topic of performance-based compensation. Other studies have been completed that have studied the attitudes of other educator groups such as teachers and superintendents. Several questions in this study were duplicated from the studies of other educator groups so that comparison data can be reported.

In 2009, the American Association of School Administrators (AASA) completed a study about performance-based compensation. The sample for this study included superintendents and associate superintendents. Three questions from the current study were also used in the AASA study. When superintendents were asked which educator groups should be included in pay for performance programs their answers were somewhat similar to the answers from the principals in the current study. Comparison results are reported in Table 12. The clear majority in both the superintendent and principal groups was the category that specified all three groups of educators should be included in pay for performance systems. With 14% compared to 3.4%, the respondents

of the AASA study indicated to a much larger percentage that principals should be included in a performance based compensation system.

Table 12

Which Educator Groups Should be Included in Pay for Performance Programs

Which Educator Groups Should be Included in Pay for Performance Programs		
Educator Group	2009 AASA Response %	2012 Principal Response %
All 3 Levels	62%	82.4%
Teacher	15%	12.7%
Principal	14%	3.4%
Administrator	9%	1.5%
Total	100%	100%

Additionally, the AASA study asked superintendent and associate superintendent respondents about the individual indicators that should be included if a pay for performance program was developed in their districts. Both the AASA respondents and the respondents of the current study agree that student achievement is the most important indicator to include in such a program. Both groups' data resulted in 89% of the respondents choosing student achievement. Both the AASA respondents and the current study respondents also agree that teacher evaluations are the second most important indicator to include in a performance based program. The only difference in priorities between the superintendent respondents and the principal respondents is in the teacher retention indicator. A greater percentage of principal respondents reported that including

teacher retention as an indicator in performance based programs than AASA respondents. Complete comparison results for the individual indicators that should be included in performance based compensation systems are reported in Table 13.

Table 13

Individual Indicators That Should be Included in Pay for Performance

Individual Indicators That Should be Included in Pay for Performance		
Indicator	2009 AASA Response %	2012 Principal Response %
Student Achievement	89%	89%
Teacher Evaluations	68%	78%
Graduation Rates	54%	44%
Teacher Attendance	54%	44%
Fiscal Management	39%	36%
Student Attendance	37%	32%
Student Behavior	35%	27%
Teacher Retention	22%	37%
Teacher Grievances	6%	12%

Respondents from the AASA study and respondents from the current study disagree on the most important obstacles that face the implementation of performance based compensation systems. Comparison results are reported in Table 14. The number one concern for the administrator respondents from the AASA study is teacher union resistance. Although this was the second most concern for the principal respondents, a

greater percentage of principal respondents reported that the capacity to link student achievement to teacher evaluations would be an obstacle. More principal respondents than AASA respondents also saw community support as an obstacle.

Table 14

Obstacles

Obstacles	2009 AASA Response %	2012 Principal Response %
Teacher Union Resistance	75%	67%
Capacity to link data to evaluations	66%	83%
Costs	50%	56%
School System Support	20%	34%
School Board Resistance	12%	12%
Lack of Community Support	9%	16%

In addition to comparing the attitudes of principals to superintendents, this study can also be used to compare principals' attitudes with teacher attitudes. The attitudes of principals can be compared to the attitudes of teachers using the questions that were derived from a study by Catherine Farrell and Jonathan Morris in 2004. The current study and the study by Farrell and Morris have five questions in common and produced very different results.

When respondents of both studies were asked to indicate their level of agreement with the statement that stated PBC will have a positive impact on teacher recruitment, 83% of the teacher respondents disagreed or strongly disagreed whereas only 29% of the

principal respondents disagreed. These respondent groups also disagreed with whether or not PBC would result in better and more effective teaching and whether PBC would result in improved student achievement. 77.2% of the teacher respondents disagreed with the statement that PBC would result in better and more effective teaching where only 24% of the principal respondents disagreed with that statement. 73.1% of the teacher respondents also disagreed with the statement that PBC would result in improved student achievement compared to only 23% of the principal respondents disagreeing.

Comparing the statements where the majority of respondents agreed with statements produced differences between the teacher and principal respondents, although to a slight lesser degree. 92.1% of teacher respondents agree that PBC will cause resentment among teaching staff. Only 40.7% of the principal respondents agreed with that statement. Finally, 93% of the teacher respondents agreed that PBC will be problematic because it is hard to link the work done in schools to individual performance compared to 59% of the principal respondents agreeing with that statement. Complete comparative results are reported in Table 15.

Table 15

Comparing Teacher Attitudes to Principal Attitudes

Statement	Principals	Teachers
PBC will be problematic because it is hard to link the work done in schools to individual performance. Results reported in % of agree/strongly agree.	59%	93%
PBC will cause resentment among staff. Results reported in % of agree/strongly agree.	40.7%	92.1%
PBC will have a positive impact on teacher recruitment. Results reported in % of disagree/strongly disagree.	29%	83%
PBC will result in better and more effective teaching. Results reported in % of disagree/strongly disagree.	24%	77.2%
PBC will result in an improvement in student achievement. Results reported in % of disagree/strongly disagree.	23%	73.1%

Table ?? Comparing teacher attitudes from a 2004 study to principal attitudes from the current study.

Summary of Comparisons

When comparing the attitudes of the Colorado principal respondents to the attitudes of superintendents and associate superintendents targeted in the American Association of School Administrators study of 2009, very few differences emerge. Both educator groups put student achievement and teacher evaluations at the top of their list of factors that should be included in PBC systems. Although the AASA identified the

resistance from teacher unions as the number one obstacle for its respondents, this was still identified as the second most identified obstacle by the Colorado principals. Capacity to link data to evaluations was the most identified obstacle by the principal respondents.

The attitudes of the Colorado principal respondents can also be compared to the attitudes of teachers from a variety of studies. Teachers with more experience have shown to be less supportive of PBC in some studies. However, other than a slight disagreement about whether or not PBC will result in teacher recruitment (more experienced principals disagree that PBC will result in teacher recruitment whereas principals with less experience agree), there are no significant differences among the principal respondents based on length of experience. Teachers that are associated with a teacher's union are generally less supportive of performance pay as well. Although principals are not generally associated with teacher's unions, the majority of principal respondents (67.1%) in this survey indicated that a teachers union is an obstacle to PBC.

Specific reasons that teachers oppose performance based compensation have also been identified by research. It seems that teachers and principals don't agree on whether or not PBC will result in a lack of collaboration. Whereas this has been an identified concern of teachers in previous studies, only 25% of the principal respondents in this survey agree with them. Another commonly cited reason for teacher opposition to PBC is they believe the system will not be fair. It has also been stated, however, that the teachers were more likely to support PBC if they had a high degree of confidence in their principal. According to the majority of the principals in this study (65.2%), felt that they

have the tools they need to fairly and accurately evaluate teachers. The results of this study could indicate that there is still a difference in perspective between teachers and principals on the issue of fairness, or it might be predicted that the evaluation tools recently developed and used by principals are increasing the trust that teachers have in the evaluation process.

Demographic Differences

When the performance based compensation statements were compared to the demographics: years of experience, highest level of education, AYP status and region of school, statistically significant differences were identified. Principals in schools where AYP was met, as compared to principals in schools where AYP was not met, more strongly agreed that their teachers trust them to give them a fair and reasonable evaluation. This is not surprising due to the research that suggests that relational trust in schools is a critical element in improving student achievement (Slotnik, 2010). This research would support that academically struggling schools must have a lack of trust as compared to academically successful schools.

More differences appear when comparing principals in this area as well. Principals in struggling schools tend to believe that all education levels should be included in a system of performance based compensation. Principals in schools where AYP targets were met were twice as likely to indicate that only teachers should be included in PBC systems. Finally, when looking at the factors that principals suggest should be included in a performance based compensation system, only 38% of the principals in schools where AYP targets were met suggested that graduation rates should

be included whereas 50% of the principals in the struggling schools indicated that they should be included. Overall, principals in struggling schools expressed that the systems for performance based compensation should be a result of many factors, and not just student achievement.

When the PBC statements were compared to the demographic category of school region, additional differences were identified. Differences in attitudes regarding the idea that self-evaluations should be included in rating teachers and principals for performance based compensation were apparent between all three regions: rural, urban and suburban. However in the remaining statements where significant differences were uncovered, the rural and suburban groups had no significant difference of means with each other, only as compared to the urban group. The urban region disagreed more strongly than the other two groups that PBC will lead to a lack of collaboration among staff. In addition, the urban region agreed more strongly than the other two groups that PBC will lead to better and more effective teaching and that it will lead to improved student achievement. Although to a lesser degree, the urban principal respondents also agree more strongly that PBC will have a positive impact on teacher recruitment. Ultimately, urban principals tend to favor performance based compensation more strongly than principals in other geographic locations.

It is clear that the factors that principals believe need to be included in a performance based compensation system are the same things that they have concerns about. When the principals that responded to this survey were given the opportunity to list their concerns about PBC, they provided a total of 822 comments expressing their

concerns. Although a complete analysis of these open ended comments is included in chapter four, the top five concerns for principals were: 1) concerns related to the data that would be needed to effectively and equitably complete a teacher or principal's evaluation for a PBC system, 2) concerns about the teacher evaluation system including a lack of consistency and the amount of time that it takes to create a fair and reasonable evaluation, 3) overall philosophical concerns related to PBC and the lack of supportive research, 4) a concern regarding the lack of equity between classrooms, schools and districts due to unequal resources and poverty, and 5) a concern that collaboration will be negatively affected by PBC. Even though there were no questions on the survey that asked the participant to agree or disagree with the philosophy of a performance based compensation system; the respondents did not fail to list this as their third concern. In fact, there were 70 comments that showed respondents to be against performance-based compensation including: "great teachers motivation is not stemmed by money," "the linkage between performance and pay lacks a sound theoretical underpinning," "research really does not indicate that it improves student performance" and "creativity is not fostered in a pay for performance system."

Limitations

Because the researcher in this study is currently a principal, biases may exist related to the role of the principal as it relates to teacher effectiveness and student achievement.

This research was limited to public school principals in 178 districts across the state of Colorado. These districts are located in rural, urban and suburban areas that vary

greatly in socioeconomic status. Therefore, the results of this study may or may not represent those of the greater principal population in the United States. Additionally, principals across the state may different levels of understanding of performance based compensation systems. Performance based compensation systems and compensation models vary greatly from district to district.

Finally, the questions that were selected for this survey were based on previous research that may have had a negative view towards performance based compensation. Therefore, this survey may also be skewed negatively towards performance based compensation. The researcher did not ask the participants how they feel about performance based compensation, only about their concerns regarding performance based compensation. Therefore, results can not include the respondent's feelings about performance based compensation.

Conclusions

All principals do not agree when it comes to performance based compensation. This is not surprising. But what is surprising is that the principals from urban schools tend to be more favorable than suburban or rural school principals. Considering that concerns regarding equity among classrooms, schools and districts due to unequal resources and poverty was listed in the top 5 concerns of all principals respondents, it is a surprising result that the principals in urban schools tend to be more favorable toward performance based compensation. Urban schools tend to have higher rates of poverty and higher ethnic populations, which have historically been associated with lower student achievement. In addition, there are reportedly a larger percentage of schools in urban

areas that are not making AYP targets and the schools not making AYP targets reported a lack of trust between teachers and principals. Perhaps the principals in these areas are looking for a system that is less subjective so that trust can be increased.

It is also worth considering that the responses that came from the principals working in urban schools were affected by the performance based compensation system that was implemented in Denver Public Schools in 2009 called ProComp. ProComp is described as a groundbreaking compensation system that links teacher pay to the school district's instructional mission and student achievement. Although other forms of performance based compensation systems have been tried around the state, Denver Public Schools is the only one that has linked pay to student achievement. It could also be possible that because the ProComp system has been in practice for several years that principals working in this system have grown to accept performance based compensation more than in other areas. However, even if the urban principals responses were affected by ProComp, only slightly more than 40% of urban respondents reported that PBC will have a positive impact on teacher recruitment, will lead to better and more effective teaching and will lead to improved student achievement.

Ever since the 1983 report titled "A Nation at Risk" the education system in the United States has seen extreme attacks by politicians, educational organizations and citizens alike. Education reform is a top agenda item for politicians and is frequently reported in the mainstream media. Movies such as "Waiting for Superman" have been created to show the problems that occur within the educational system. States are beginning to put new laws into effect that drastically change how the education system

has historically worked. Teacher unions are under attack as well. Several states, including Wisconsin, Indiana and Ohio have passed laws that limit the collective bargaining rights of teacher unions. All of this negativity has decreased teacher morale, has put teachers and unions on the defensive and has reduced trust in the system. When Michelle Rhee, former chancellor of D.C. public schools, attempted to significantly change the teacher salary structure, she indicated that the purpose for the performance based compensation system that she was trying to implement was to reward the teachers who get results, while encouraging others to leave the profession. In the past, systems of performance based compensation were implemented as a way of motivating teachers to improve their practice and increase student achievement. However, the research on whether or not PBC increases teacher motivation is mixed. The current political climate has seemed to dismiss PBC as a motivation booster and more often has the attitude that if PBC can induce highly effective teachers to stay and ineffective to leave, student achievement would improve. Again, the principal respondents in this survey that are not meeting AYP targets report that their teachers are less likely to trust them. With all that is going on at the national and local level in regards to education reform, this data is not surprising.

Regardless of the driving theory, performance based compensation is being strongly suggested. However, unless many changes are made with the teacher evaluation system and the data systems that can be used to effectively link student achievement to an

individual teacher's performance, the schools in Colorado are clearly not ready to implement a performance based compensation system that significantly alters or replaces traditional compensation systems.

Recommendations

Although some principals appear to be more willing to accept performance based compensation systems in certain cases, general acceptance is not overwhelming. If education policies in the state of Colorado continue to emphasize teacher and principal effectiveness as determined by student achievement, everyone must work together to solve the biggest problems that are standing in the way. Clearly, solutions must be found that are equitable among the wide variety of teacher and principal groups that exist.

When comparing the results of this study to previous studies focused on teacher attitudes (Farrell & Morris, 2004; Heyburn et al., 2010; Sautte, 1987), there is a clear difference between the perceptions of teachers versus those of principals when it comes to performance based compensation systems. It is recommended that teachers be involved in creating new systems for linking student achievement to evaluation. The teachers need to trust that the system will be fair and equitable to all. This system must include a way to link student achievement to all teachers including those teachers that do not teach in the typically tested grades or subjects.

In addition, mainstream media from Colorado and around the nation are negatively portraying teacher unions and this study also identified teacher unions as being a concern to the principal respondents. The animosity that exists between teacher unions, district leaders, school boards and policy makers is keeping the focus on identifying what

is wrong instead of working on possible solutions. It is recommended that members of teacher unions join together with non-member teachers when working on new data and assessment systems.

Finally, further research is needed to explore the effects that current and newly designed performance based compensation systems are having around the state. Many districts are either currently designing or thinking about designing new systems of compensation. These plans and the results need to be shared with and among districts to increase the effectiveness of performance based compensation for the sake of all Colorado students. Districts believe in collaboration for their teachers and students, now is the time for districts to also collaborate with each other.

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Appendix A Informed Consent Statement

Informed Consent for "Survey on Principals' Attitudes toward Performance Based Compensation"

A. Introduction. You are being invited to participate in a study designed to investigate Colorado public school principals' attitudes toward performance based compensation systems. The research project is not intended to judge the effectiveness of any given method of paying teachers or principals, but, rather to assess principals' acceptance of different pay systems. Please read this form and ask any questions prior to completing the online survey. Completion of the survey indicates that you are agreeing to participate in the study.

B. Participant Involvement. Your involvement in the study will be limited to answering the questions on this survey. The researcher does not anticipate any other requirements on your behalf. The survey will take less than ___minutes to complete. (The amount of time needed for the survey will be determined during field testing.)

C. Conflict of Interest. The researcher, Carolyn Stephenson, will use data gathered from your responses and those of others as the basis for a dissertation as part of her course of study toward a Doctorate in Educational Administration and Policy Studies at the University of Denver. Carolyn Stephenson is a principal in the state of Colorado, however, confidentiality of responses will eliminate any concern for a conflict of interest within the school district she is employed.

D. Risks. The researcher does not anticipate any risks as a result of participating in the study.

E. Benefits. The information gathered will help assess the degree to which various groups of principals favor or disfavor certain forms of compensation. The information gathered may help legislators, local school boards and school districts design and/or revise performance based compensation systems.

F. Confidentiality. The researcher is not asking that you include your name on the survey. While there are certain demographic questions asked on the survey instrument, these questions are intended only to identify the extent to which individuals in various subgroups compare to others. Neither the researcher nor anyone else associated with the study will attempt to identify individuals through responses to the demographic questions. No information will be included in any published report that will make it possible to identify a particular subject. Your survey will be kept confidential and will not be identifiable in any way. Research records will be for the researcher's eyes only.

G. Contact Information. The project director, Carolyn Stephenson, and her advisor, Dr. Kent Seidel, PhD., may be contacted directly if you have any questions or concerns regarding this study. Carolyn Stephenson may be contacted by email at carrie.stephenson@dcsdk12.org. Dr. Kent Seidel may be contacted by email at kent.seidel@du.edu.

H. Participation. Your participation in this study is purely voluntary. Participation will be limited to the amount of time necessary to complete the survey. By completing the online survey you are agreeing to have your opinions included in a statistical analysis of the attitudes of principals towards performance based compensation systems.

I. Results. Composite results of this study will be available to you upon request.

By completing this survey, you are agreeing to participate in the research realizing that participation is strictly voluntary and that you may withdraw at any time.

Appendix B Survey Instrument

Principal Attitudes Towards Performance Based Compensation

Introduction:
You are being invited to participate in a study designed to investigate the degree to which principals in the state of Colorado favor performance based compensation systems. The research project is not intended to judge the effectiveness of any given method of paying teachers or principals but, rather, to assess principals' acceptance of different pay systems. Please read the Informed Consent Statement provided to you and ask any questions prior to completing the survey. Completion of the survey indicates that you are agreeing to participate in the study.

Informed Consent Statement

Informed Consent for "Survey on Principals' Attitudes toward Performance Based Compensation"

A. Introduction. You are being invited to participate in a study designed to investigate Colorado public school principals' attitudes toward performance based compensation systems. The research project is not intended to judge the effectiveness of any given method of paying teachers or principals, but, rather to assess principals' acceptance of different pay systems. Please read this form and ask any questions prior to completing the online survey. Completion of the survey indicates that you are agreeing to participate in the study.

B. Participant Involvement. Your involvement in the study will be limited to answering the questions on this survey. The researcher does not anticipate any other requirements on your behalf. The survey will take less than 15 minutes to complete.

C. Conflict of Interest. The researcher, Carolyn Stephenson, will use data gathered from your responses and those of others as the basis for a dissertation as part of her course of study toward a Doctorate in Educational Administration and Policy Studies at the University of Denver. Carolyn Stephenson is a principal in the state of Colorado, however, confidentiality of responses will eliminate any concern for a conflict of interest within the school district she is employed.

D. Risks. The researcher does not anticipate any risks as a result of participating in the study.

E. Benefits. The information gathered will help assess the degree to which various groups of principals favor or disfavor certain forms of compensation. The information gathered may help legislators, local school boards and school districts design and/or revise performance based compensation systems.

F. Confidentiality. The researcher is not asking that you include your name on the survey. While there are certain demographic questions asked on the survey instrument, these questions are intended only to identify the extent to which individuals in various subgroups compare to others. Neither the researcher nor anyone else associated with the study will attempt to identify individuals through responses to the demographic questions. No information will be included in any published report that will make it possible to identify a particular subject. Your survey will be kept confidential and will not be identifiable in any way. Research records will be for the researcher's eyes only.

G. Contact Information. The project director, Carolyn Stephenson, and her advisor, Dr. Kent Seidel, PhD., may be contacted directly if you have any questions or concerns regarding this study. Carolyn Stephenson may be contacted by email at carrie.stephenson@dcsdk12.org. Dr. Kent Seidel may be contacted by email at kent.seidel@du.edu.

H. Participation. Your participation in this study is purely voluntary. Participation will be limited to the amount of time necessary to complete the survey. By completing the online survey you are agreeing to have your opinions included in a statistical analysis of the attitudes of principals towards performance based compensation systems.

I. Results. Composite results of this study will be available to you upon request.
By completing this survey, you are agreeing to participate in the research realizing that participation is strictly voluntary and that you may withdraw at any time.

Page 1

Principal Attitudes Towards Performance Based Compensation

Demographic Information:

Confidentiality: The researcher is not asking that you include your name on the survey. While there are certain demographic questions asked on the survey instrument, these questions are intended only to identify the extent to which individuals in various subgroups compare to others. Neither the researcher nor anyone else associated with the study will attempt to identify individuals through responses to the demographic questions. No information will be included in any published report that will make it possible to identify a particular subject. Your survey will be kept confidential and will not be identifiable in any way. Research records will be for the researcher's eyes only.

***1. Gender**

- ◯ Male
- ◯ Female

***2. Age**

- ◯ under 22
- ◯ 22-28
- ◯ 29-33
- ◯ 34-40
- ◯ 41-45
- ◯ 46-50
- ◯ 51-55
- ◯ over 55

***3. Total years of school principal experience**

- ◯ less than 1
- ◯ 1-3
- ◯ 4-6
- ◯ 7-9
- ◯ 10-15
- ◯ over 15

***4. Highest Level of Education:**

- ◯ bachelors degree
- ◯ masters degree
- ◯ advanced degree including EdD or PhD.

Other (please specify)

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Principal Attitudes Towards Performance Based Compensation

***5. The school where I currently work is making Annual Yearly Progress (AYP) under No Child Left Behind (NCLB)**

- ◯ yes
- ◯ no
- ◯ I don't know

***6. My school district is best described as:**

- ◯ rural
- ◯ urban
- ◯ suburban

Section II: General Attitudes Regarding Performance Pay

Performance based compensation is a salary system whereby all or part of a salary raise or bonus is based on student growth and/or achievement. This section deals with your attitude and concerns regarding performance based compensation. For the purpose of this survey, please note that 'performance based compensation', 'merit pay', 'pay for performance' and 'strategic compensation' are used interchangeably, representing a compensation system that uses financial incentives for its employees.

***7. If your district were to implement a pay for performance plan, please indicate the levels where you think performance pay should be included in evaluations.**

- ◯ Teacher
- ◯ Principal
- ◯ Administrator
- ◯ All three levels

Other (please specify)

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Principal Attitudes Towards Performance Based Compensation

***8. Of the system and individual indicators listed below, please mark those you believe should be considered in a pay for performance model:**

- [ ] student attendance
- [ ] graduation rates
- [ ] student behavioral figures (suspensions, expulsions, etc.)
- [ ] teacher retention
- [ ] teacher attendance
- [ ] teacher grievances
- [ ] fiscal management
- [ ] teacher evaluations
- [ ] student achievement

Other (please specify)

***9. What obstacles do you expect/have you experienced in implementing a pay for performance program?**

- [ ] Teacher union resistance
- [ ] Costs
- [ ] School board resistance
- [ ] Lack of community support
- [ ] Capacity to link teacher evaluation and/or student achievement to evaluations
- [ ] School-system support

Other (please specify)

Principal Attitudes Towards Performance Based Compensation

***10. Please respond to the following statements regarding your perception of performance based compensation by indicating your degree of agreement or disagreement by marking the appropriate response.**

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Administrators should be included in the rating of teachers for performance pay purposes.	○	○	○	○	○
My teachers trust me to give them a fair and reasonable evaluation.	○	○	○	○	○
Self-evaluations should be included in rating teachers and principals for performance based compensation purposes.	○	○	○	○	○
My school district has implemented an evaluation system that allows me to fairly and accurately evaluate teachers.	○	○	○	○	○
My school district has implemented an evaluation system that allows my supervisor to fairly and accurately evaluate me.	○	○	○	○	○
Performance based compensation results in a lack of collaboration among staff.	○	○	○	○	○
Performance based compensation results in resentment among teachers.	○	○	○	○	○
Performance based compensation is problematic because it is difficult to link the work done in schools to individual performance.	○	○	○	○	○
Performance based compensation will have a positive impact on teacher recruitment.	○	○	○	○	○
Performance based compensation will lead to better and more effective teaching.	○	○	○	○	○
Performance based compensation will lead to	○	○	○	○	○

improved student
achievement.

In Section III you are asked to list any additional concerns you may have regarding performance based compensation systems. Your participation in this study in no way implies that your school district is considering a performance based compensation system.

11. Please list any concerns you have/might have if a system of performance based compensation is/was implemented. You are asked to prioritize your concerns.

Priority #1

Priority #2

Priority #3

Priority #4

Thank you for your participation in this survey.